

Mineral Revenues 1996

Report On Receipts From Federal And Indian Leases

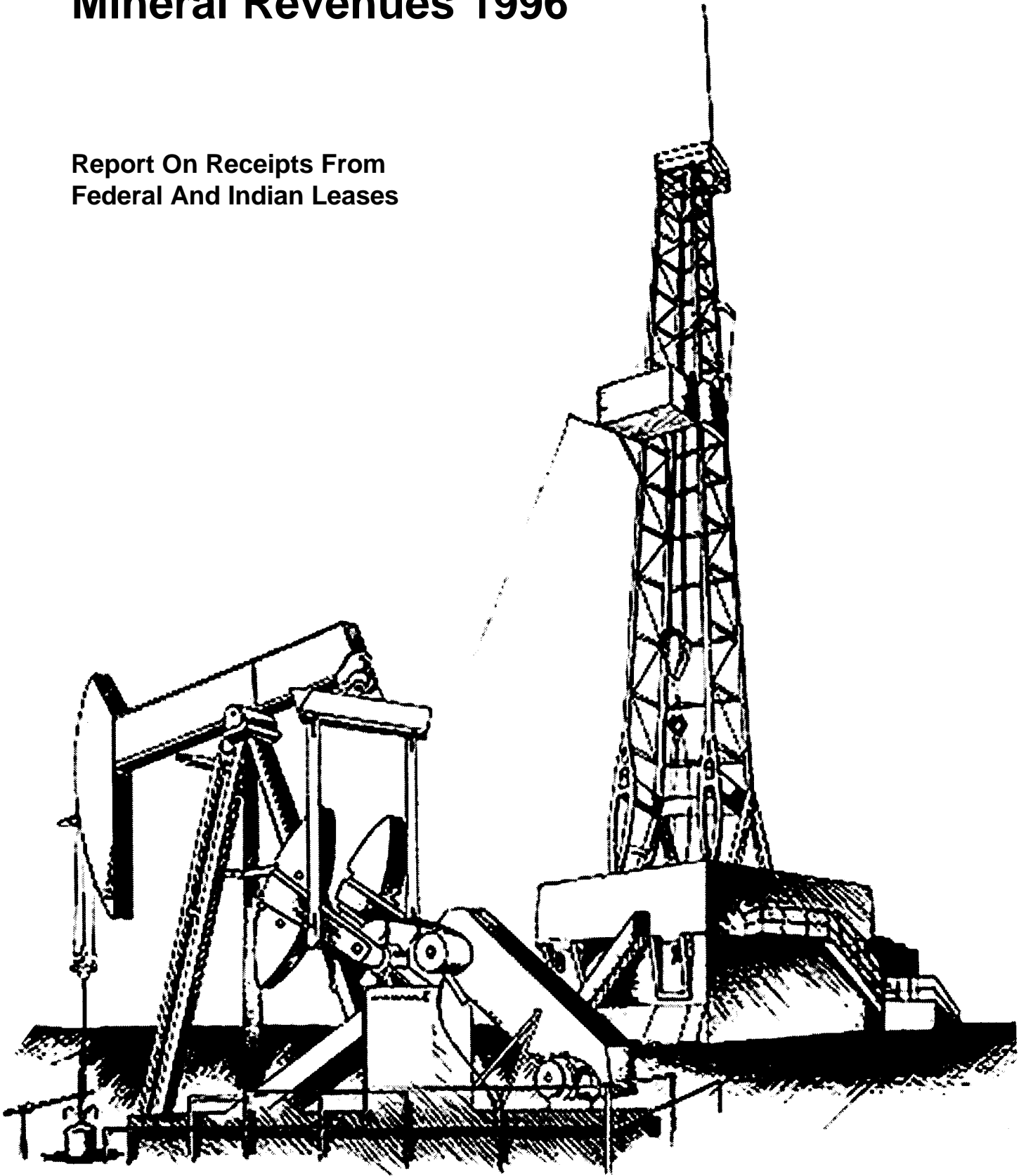
The Minerals Management Service Royalty Management Program (RMP) produces the annual Mineral Revenues report in the Fall of each year. The 1996 edition of the report should be published in the Fall of 1997.

In an effort to provide more timely information, the RMP will include completed tables, graphs, and narratives on this home page as soon as information becomes available. Although we anticipate no changes to this data, the information should be considered preliminary until published. Completed tables, graphs, and narratives are identified with an asterisk (*) in the table of contents.



Mineral Revenues 1996

Report On Receipts From
Federal And Indian Leases



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**Report On Receipts From
Federal And Indian Leases**

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Products and Units of Measurement

Product	Unit of Measurement
Amethyst	Grams
Carbon Dioxide	Mcf (thousand cubic feet)
Coal	Short tons (2,000 pounds)
Copper	Short tons
Gas	Mcf
Gas Plant Products	Gallons
Geothermal and Heated Water Sources	Millions of British thermal units
Helium	Mcf
Nitrogen	Mcf
Oil	Barrels (42 U.S. gallons)
Phosphate	Short tons
Potash	Short tons
Quartz Crystals	Pounds
Sand and Gravel	Short tons
Sodium	Short tons
Sulfur	Short tons
All Other Solid Minerals	Short tons

NOTE: Sulfur is reported as either a fluid or solid mineral based on the method of extraction. Fluid mineral sulfur is produced by extracting the product from the oil and gas stream. All onshore sulfur and a limited amount of offshore sulfur are currently produced from the oil and gas stream. Solid mineral sulfur is extracted using the Frasch process. The majority of offshore sulfur is produced using the Frasch mining method.

Products reported in long tons have been converted to short tons in this report.

Sodium product figures include sodium borate and carbonate compounds.

About This Report

The Mineral Revenues report provides information addressing royalty, rent, bonus, and other revenue receipts from Federal and Indian mineral leases. The Minerals Management Service Royalty Management Program distributes the report annually to Congressional, Federal, State, Indian, and industry representatives. Many of the narratives, figures, and tables address current-year performance; however, 10 years of historical data are provided where appropriate as a service to our constituents.

Some information in this report necessarily includes estimated data that may change after publication. Numbers in parentheses may include current-year collections and credits, and prior-year adjustments. All tables and figures are annotated to indicate calendar or fiscal year data.

Appendix A on page 137 provides factors to convert measurements to either English (inch-pound) units or the International System of Units (metric).

Mineral Lease Revenues

The report addresses four types of mineral lease revenues: bonuses, rents, minimum royalties, and royalties.

- **Bonuses.** Leases issued in areas known to contain minerals are awarded through a competitive bidding process. Bonuses represent the cash amount successfully bid to win the rights to a lease.
- **Rents.** A rent schedule is established at the time a lease is issued. Rents are annual payments, normally a fixed dollar amount per acre, required to preserve the rights to a lease.
- **Minimum Royalties.** A Federal lease may further contain a minimum royalty provision. Minimum royalty is the annual payment, on a per-acre basis, required to maintain the rights to a lease until production exceeds a minimum value. Once annual production exceeds the minimum value, minimum royalty payments cease.

Minimum royalties are included under the entry “Other Revenues” in this report. “Other Revenues” include settlement payments, gas storage fees, estimated payments, and recoupments in addition to minimum royalties.

- **Royalties.** A royalty is due when production begins. Royalty payments represent a stated share or percentage of the value of the mineral produced. The royalty may be an established minimum, a step-scale, or a sliding-scale. A step-scale royalty rate increases by steps as the average production on the lease increases. A sliding-scale royalty rate is based on average production and applies to all production from the lease.

Sales Volume and Sales Value

Sales volume represents the volume of a commodity reported sold during the year. Sales value represents the dollar value of the commodity reported sold during the year. Selected sales volume and sales value figures in this report have been adjusted to resolve distortions that may be created by communitization and unitization agreements, nonstandard leases and agreements, and prior-period adjustments.

Other Minerals

Minerals referred to in this report as “Other” or as “Other Products” may include the following solid and fluid minerals: amethyst, asphalt, barite, bentonite, carbon dioxide, chat, clay, copper, feldspar, fluor spar, garnet concession, garnet sands, gas lost, gas plant products, geothermal energy, gilsonite, gold, gypsum, helium, hot water, iron ore, langbeinite, lead, leonardite, limestone, magnesium, molybdenum, nitrogen, oil lost, oil shale, phosphate, potash, potassium products, purge liquor, quartz crystals, salt, sand and gravel, scoria, silica sand, silver, soda ash, sodium products, sulfur, sylvite, trona ore, tungsten, uranium, wavellite, and zinc. Gas plant products include gasoline, liquid petroleum gas, propane, butane, and other gas commodities measured in gallons.

Table 1. Revenues from principal Royalty Management Program underpayment detection programs, Fiscal Years 1982-96

	Revenues in Thousands of Dollars									Total
	Audit Program	AFS/PAAS Exceptions	AFS Exceptions	Allowance Exceptions	AFS/PAAS Liq. Damages	OCS Recoup.	Indian Recoup.	Improper Adjust.	Royalty Rate Monitor	
1982-86 . . .	\$ 324,221	\$ 9,315	\$ 10,760	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 344,296
1987 . . .	79,384	6,415	7,281	---	11	---	---	---	---	93,091
1988 . . .	52,201	10,074	13,494	---	327	---	---	---	---	76,096
1989 . . .	107,416	12,506	16,939	---	114	---	---	---	---	136,975
1990 . . .	65,966	18,529	14,528	---	124	---	---	---	---	99,147
1991 . . .	97,003	20,204	11,251	---	477	---	---	---	---	128,935
1992 . . .	122,670	22,984	21,641	2,210	781	104	104	---	---	170,494
1993 . . .	140,493	24,644	22,559	721	913	708	199	168	---	190,405
1994 . . .	267,787	19,174	15,836	2,179	884	447	186	190	---	306,683
1995 . . .	215,634	20,305	16,844	595	766	752	522	580	106	256,104
1996 . . .	<u>39,728</u>	<u>18,370</u>	<u>13,283</u>	<u>---</u>	<u>4</u>	<u>416</u>	<u>209</u>	<u>542</u>	<u>366</u>	<u>72,918</u>
Total . . .	\$1,512,503	\$182,520	\$164,416	\$5,705	\$4,401	\$2,427	\$1,220	\$1,480	\$472	\$1,875,144

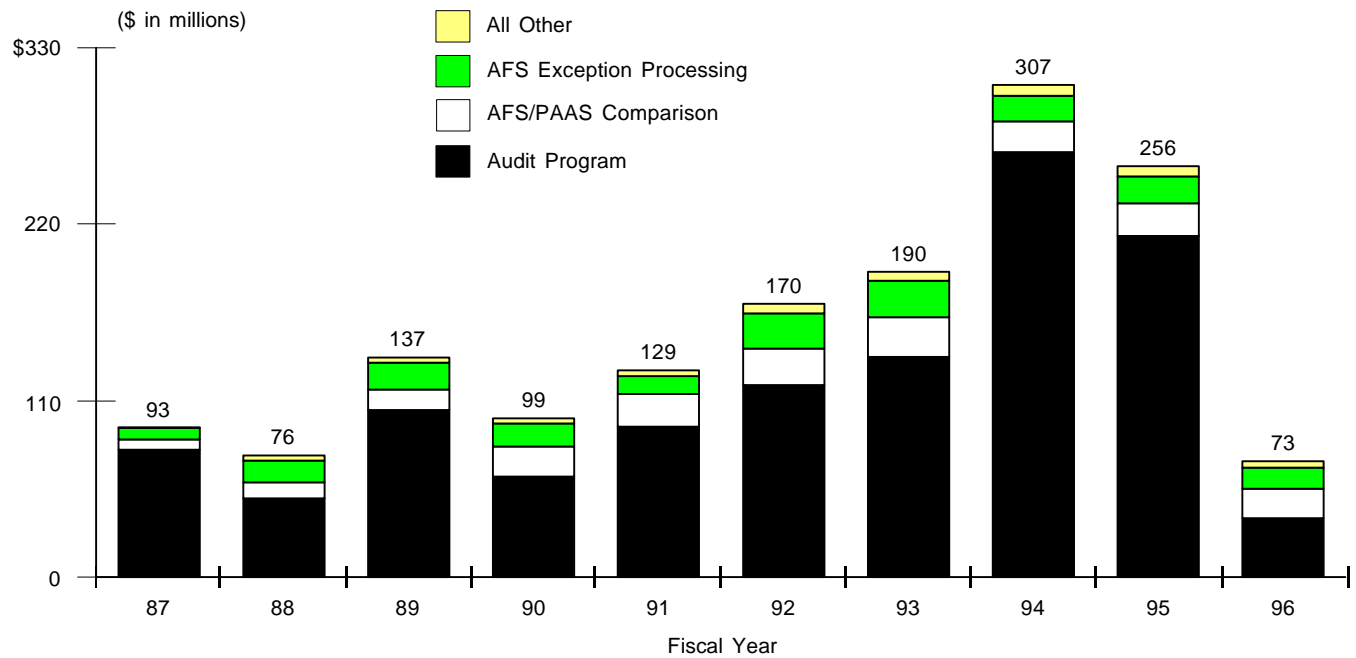


Figure 3. Revenues from RMP underpayment detection programs, FY 1987-96

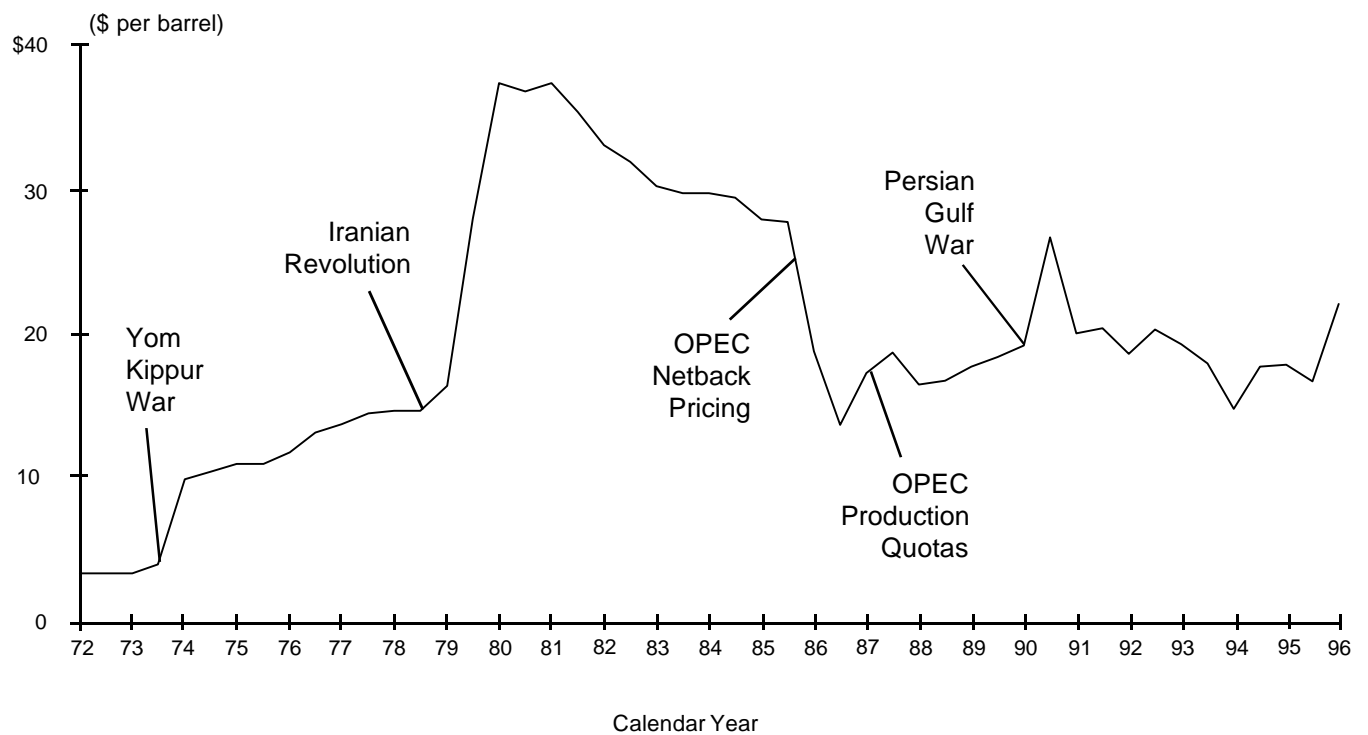


Figure 5. West Texas Intermediate crude oil prices, 1972-96
(Source: Oil and Gas Journal Energy Database)

Preliminary**Table 12. Calendar Year 1996 summary of sales volume, sales value, and royalties by commodity from OCS mineral leases**

	Sales Volume	Sales Value	Royalties
Gas	5,024,420,807	\$11,767,527,942	\$1,865,740,523
Gas Lost	95,131	206,478	26,878
Gas Plant Products	1,605,235,314	553,517,432	69,149,209
Oil	438,003,670	8,009,042,336	1,219,671,224
Oil Lost	---	---	---
Salt	---	---	---
Sulfur	1,958,695	<u>112,992,560</u>	<u>11,398,773</u>
Total		\$20,443,286,748	\$3,165,986,607

Table 13. Summary of sales volume, sales value, and royalties by commodity from OCS mineral leases, Calendar Years 1953-96

	Sales Volume	Sales Value	Royalties
Gas	120,852,934,408	\$184,628,460,859	\$30,074,219,982
Gas Lost	118,366,398	90,025,219	14,038,767
Gas Plant Products	30,112,402,858	6,188,703,619	728,238,033
Oil	11,092,628,063	151,534,070,530	24,350,775,093
Oil Lost	88,499	822,824	136,094
Salt	5,915,959	1,422,193	175,512
Sulfur	26,511,778	<u>1,142,500,444</u>	<u>102,750,842</u>
Total		\$343,586,005,688	\$55,270,334,323

Preliminary**Table 14. Calendar Year 1996 sales volume, sales value, and royalties by area and commodity from OCS mineral leases**

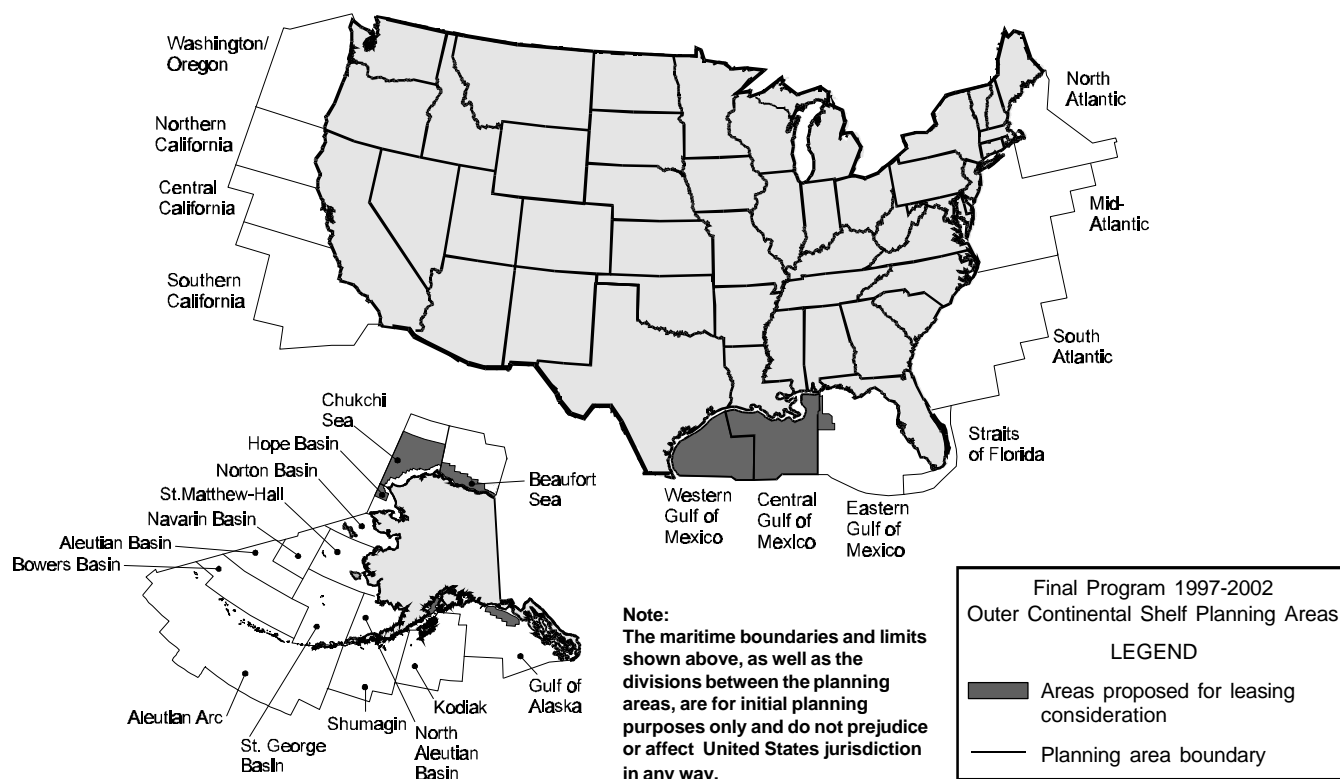
	Sales Volume	Sales Value	Royalties
Offshore Alabama			
Gas	112,048,651	\$ 273,898,942	\$ 44,278,290
Gas Plant Products	408,886	130,843	10,860
Oil	19,306	133,345	19,507
Sulfur	27,181	1,059,986	49,378
Subtotal		\$ 275,223,116	\$ 44,358,035
Offshore California			
Gas	37,822,941	\$ 68,841,548	\$ 10,303,944
Gas Lost	---	---	---
Gas Plant Products	24,688,917	8,008,916	304,071
Oil	67,804,200	861,967,087	135,657,660
Sulfur	4,259	33,908	1,135
Subtotal		\$ 938,851,459	\$ 146,266,810
Offshore Gulf of Mexico			
Gas	---	\$ ---	\$ ---
Gas Lost	---	---	---
Gas Plant Products	---	---	---
Oil	---	---	---
Oil Lost	---	---	---
Subtotal		\$ ---	\$ ---
Offshore Louisiana			
Gas	3,898,234,094	\$ 9,252,276,099	\$1,455,013,568
Gas Lost	95,131	206,478	26,878
Gas Plant Products	1,467,152,315	512,036,744	64,360,438
Oil	349,101,048	6,734,245,593	1,019,010,372
Oil Lost	---	---	---
Salt	---	---	---
Sulfur	1,927,255	111,898,666	11,348,260
Subtotal		\$16,610,663,580	\$2,549,759,516
Offshore Mississippi			
Gas	3,441,362	\$ 8,610,789	\$ 1,419,531
Oil	453	7,094	1,182
Subtotal		\$ 8,617,883	\$ 1,420,713

Preliminary

Table 14. Calendar Year 1996 sales volume, sales value, and royalties by area and commodity from OCS mineral leases (cont.)

	Sales Volume	Sales Value	Royalties
Offshore Texas			
Gas	972,873,759	\$ 2,163,900,564	\$ 354,725,190
Gas Lost	---	---	---
Gas Plant Products	112,985,196	33,340,929	4,473,840
Oil	21,078,663	412,689,217	64,982,503
Oil Lost	---	---	---
Subtotal.....		\$ 2,609,930,710	\$ 424,181,533
 Total		 \$20,443,286,748	 \$3,165,986,607

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries will be listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

**Fig. 17. Map of OCS regions in current OCS oil and gas leasing program.**

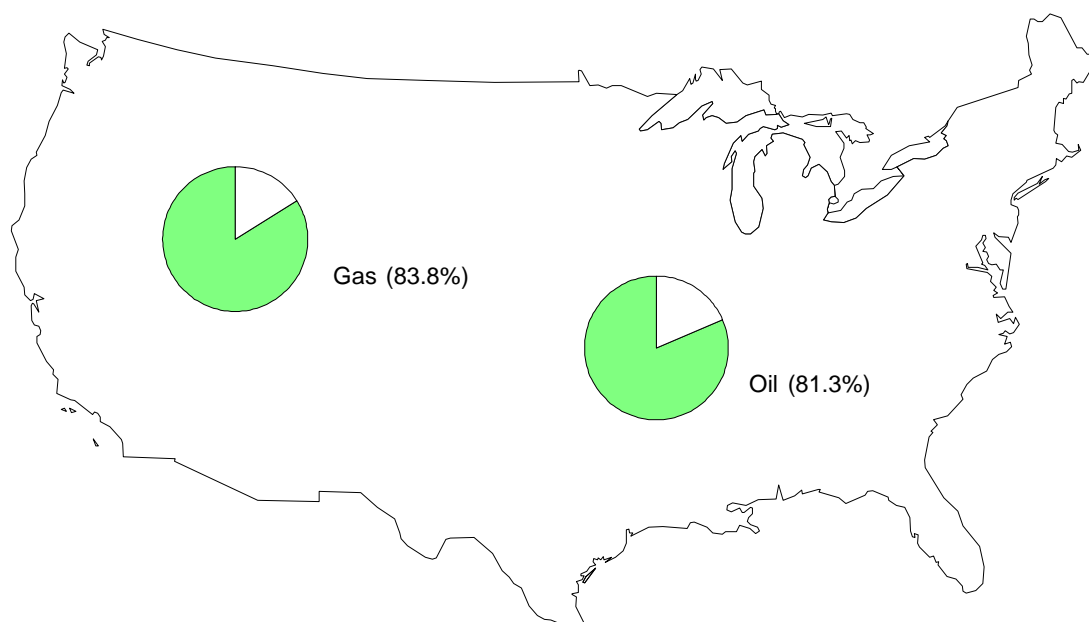
Preliminary**Table 15. Summary of sales volume, sales value, and royalties by area and commodity from OCS mineral leases, Calendar Years 1953-96**

	Sales Volume	Sales Value	Royalties
Offshore Alabama			
Gas	466,881,288	\$ 945,674,417	\$ 151,569,503
Gas Plant Products	1,188,518	322,306	24,869
Oil	89,345	935,121	142,855
Sulfur	49,772	1,805,596	121,324
Subtotal		\$ 948,737,440	\$ 151,858,551
Offshore California			
Gas	624,977,829	\$ 1,469,537,456	\$ 245,149,492
Gas Lost	80,705	266,417	67,125
Gas Plant Products	147,764,371	46,861,421	1,992,739
Oil	818,265,114	9,562,505,450	1,697,346,745
Sulfur	21,707	95,554	4,783
Subtotal		\$ 11,079,266,298	\$ 1,944,560,884
Offshore Gulf of Mexico			
Gas	---	\$ ---	\$ ---
Gas Lost	---	---	---
Gas Plant Products	---	---	---
Oil	---	---	---
Oil Lost	---	---	---
Subtotal		\$ ---	\$ ---
Offshore Louisiana			
Gas	100,555,293,404	\$143,635,662,685	\$23,190,877,366
Gas Lost	115,664,627	85,802,841	13,312,869
Gas Plant Products	28,583,224,224	5,830,427,037	685,973,090
Oil	9,895,440,724	134,322,906,379	21,441,364,006
Oil Lost	83,969	758,487	125,398
Salt	5,915,959	1,422,193	175,512
Sulfur	26,440,299	1,140,599,294	102,624,735
Subtotal		\$285,017,578,916	\$45,434,452,976
Offshore Mississippi			
Gas	12,435,174	\$ 26,203,688	\$ 4,142,238
Oil	453	7,094	1,182
Subtotal		\$ 26,210,782	\$ 4,143,420

Preliminary**Table 15. Summary of sales volume, sales value, and royalties by area and commodity from OCS mineral leases, Calendar Years 1953-96 (cont.)**

	Sales Volume	Sales Value	Royalties
Offshore Texas			
Gas	19,193,346,713	\$ 38,551,382,613	\$ 6,482,481,383
Gas Lost	2,621,066	3,955,961	658,773
Gas Plant Products	1,380,225,745	311,092,855	40,247,335
Oil	378,832,427	7,647,716,486	1,211,920,305
Oil Lost	4,530	64,337	10,696
Subtotal		\$ 46,514,212,252	\$ 7,735,318,492
Total		\$343,586,005,688	\$55,270,334,323

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries will be listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

**Figure 18. Federal offshore royalties as a percentage of total Federal and Indian royalties from oil and gas, Calendar Year 1996**

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96**

Offshore Alabama	Sales Volume	Sales Value	Royalties
Gas			
1953-91	---	\$ ---	\$ ---
1992	67,280,071	121,995,233	18,743,011
1993	76,561,233	167,413,886	27,791,761
1994	102,295,379	207,700,582	33,287,070
1995	108,695,954	174,665,774	27,469,371
1996	<u>112,048,651</u>	<u>273,898,942</u>	<u>44,278,290</u>
Total	466,881,288	\$945,674,417	\$151,569,503
Oil			
1953-91	---	\$ ---	\$ ---
1992	3,209	58,687	9,742
1993	2,630	44,002	3,837
1994	46,112	569,020	90,730
1995	18,088	130,067	19,039
1996	<u>19,306</u>	<u>133,345</u>	<u>19,507</u>
Total	89,345	\$ 935,121	\$ 142,855
Other			
1953-91	N/A	\$ ---	\$ ---
1992	N/A	9,464	1,116
1993	N/A	9,407	533
1994	N/A	164,593	13,747
1995	N/A	753,609	70,559
1996	N/A	<u>1,190,829</u>	<u>60,238</u>
Total	N/A	\$ 2,127,902	\$ 146,193

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96 (cont.)**

Offshore California	Sales Volume	Sales Value	Royalties
Gas			
1953-86	242,804,524	\$ 504,897,819	\$ 93,627,474
1987	40,986,158	111,589,318	18,085,583
1988	34,570,638	92,648,015	15,086,166
1989	28,574,912	77,322,251	12,920,381
1990	38,531,764	107,345,547	17,822,908
1991	40,626,577	116,722,285	19,536,916
1992	40,873,660	111,075,007	18,325,587
1993	42,082,090	116,076,588	16,859,977
1994	41,679,064	100,051,242	13,375,225
1995	36,425,501	62,967,836	9,205,331
1996	<u>37,822,941</u>	<u>68,841,548</u>	<u>10,303,944</u>
Total	624,977,829	\$1,469,537,456	\$ 245,149,492
Oil			
1953-86	368,973,291	\$4,368,516,898	\$ 865,063,373
1987	33,556,686	423,213,631	75,690,692
1988	32,615,118	322,221,171	53,723,584
1989	33,072,161	401,679,836	69,618,869
1990	33,312,719	540,919,648	94,552,896
1991	29,146,090	359,942,223	64,141,789
1992	41,222,801	475,004,760	71,952,589
1993	50,078,144	500,723,181	70,532,436
1994	57,229,464	530,007,444	78,969,744
1995	71,254,440	778,309,571	117,443,113
1996	<u>67,804,200</u>	<u>861,967,087</u>	<u>135,657,660</u>
Total	818,265,114	\$9,562,505,450	\$1,697,346,745
Other			
1953-86	N/A	\$ 1,282,598	\$ 159,013
1987	N/A	---	---
1988	N/A	108,824	9,447
1989	N/A	679,216	48,216
1990	N/A	1,211,010	103,490
1991	N/A	2,319,136	187,910
1992	N/A	1,351,882	76,360
1993	N/A	8,126,456	202,481
1994	N/A	10,198,793	368,423
1995	N/A	13,902,653	604,101
1996	N/A	<u>8,042,824</u>	<u>305,206</u>
Total	N/A	\$ 47,223,392	\$ 2,064,647

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96 (cont.)**

Offshore Gulf of Mexico	Sales Volume	Sales Value	Royalties
Gas			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
Total	---	\$ ---	\$ ---
Oil			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	---	---	---
Total	---	\$ ---	\$ ---
Other			
1953-93	N/A	\$ ---	\$ ---
1994	N/A	---	---
1995	N/A	---	---
1996	N/A	---	---
Total	N/A	\$ ---	\$ ---

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96 (cont.)**

Offshore Louisiana	Sales Volume	Sales Value	Royalties
Gas			
1953-86	66,523,816,921	\$ 78,056,709,070	\$12,722,501,671
1987	3,180,107,195	5,775,180,843	935,053,158
1988	3,096,881,628	5,705,494,358	919,994,644
1989	3,006,576,061	5,590,014,727	912,525,885
1990	3,706,324,044	6,914,198,999	1,116,561,923
1991	3,289,968,602	5,811,082,617	938,334,655
1992	3,338,101,447	5,903,755,520	952,478,988
1993	3,386,808,653	7,391,111,524	1,176,770,756
1994	3,492,406,762	7,392,495,136	1,156,632,134
1995	3,636,067,997	5,843,343,792	905,009,984
1996	<u>3,898,234,094</u>	<u>9,252,276,099</u>	<u>1,455,013,568</u>
Total	100,555,293,404	\$143,635,662,685	\$23,190,877,366
Oil			
1953-86	7,007,231,977	\$ 82,248,749,672	\$13,449,655,802
1987	307,950,881	5,489,216,879	855,192,774
1988	261,936,530	4,086,676,490	632,688,293
1989	246,207,653	4,389,950,817	677,807,033
1990	264,670,535	5,853,558,285	905,427,960
1991	262,647,733	5,458,022,367	853,869,905
1992	288,918,208	5,405,365,602	825,715,275
1993	293,443,881	5,039,146,117	761,923,302
1994	293,077,191	4,392,199,355	676,173,705
1995	320,255,087	5,225,775,202	783,899,585
1996	<u>349,101,048</u>	<u>6,734,245,593</u>	<u>1,019,010,372</u>
Total	9,895,440,724	\$134,322,906,379	\$21,441,364,006
Other			
1953-86	N/A	\$ 2,553,397,721	\$ 271,671,175
1987	N/A	88,715,367	12,962,808
1988	N/A	157,306,523	19,316,494
1989	N/A	243,639,283	30,762,803
1990	N/A	451,993,493	51,105,420
1991	N/A	600,250,114	67,188,354
1992	N/A	621,007,036	70,404,894
1993	N/A	579,095,327	70,950,595
1994	N/A	489,680,521	56,147,263
1995	N/A	649,782,579	75,966,222
1996	N/A	<u>624,141,888</u>	<u>75,735,576</u>
Total	N/A	\$ 7,059,009,852	\$ 802,211,604

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96 (cont.)**

Offshore Mississippi	Sales Volume	Sales Value	Royalties
Gas			
1953-93	---	\$ ---	\$ ---
1994	6,432,489	13,520,396	2,042,599
1995	2,561,323	4,072,503	680,108
1996	3,441,362	8,610,789	1,419,531
Total	12,435,174	\$26,203,688	\$4,142,238
Oil			
1953-93	---	\$ ---	\$ ---
1994	---	---	---
1995	---	---	---
1996	453	7,094	1,182
Total	453	\$ 7,094	\$ 1,182
Other			
1953-93	N/A	\$ ---	\$ ---
1994	N/A	---	---
1995	N/A	---	---
1996	N/A	---	---
Total	N/A	\$ ---	\$ ---

Preliminary**Table 16. Summary of sales volume, sales value, and royalties by area and year from OCS mineral leases, Calendar Years 1953-96 (cont.)**

Offshore Texas	Sales Volume	Sales Value	Royalties
Gas			
1953-86	7,949,385,761	\$17,714,218,610	\$2,969,373,001
1987	1,204,488,337	2,247,918,432	384,622,693
1988	1,178,422,561	2,147,898,236	375,221,062
1989	1,165,112,953	2,171,092,310	374,747,729
1990	1,348,075,361	2,436,768,679	404,979,925
1991	1,184,936,494	1,962,252,569	329,019,995
1992	1,239,389,547	2,028,031,701	344,239,137
1993	1,027,937,755	2,218,833,205	370,415,509
1994	1,014,204,135	2,038,747,553	339,659,717
1995	908,520,050	1,421,720,754	235,477,425
1996	<u>972,873,759</u>	<u>2,163,900,564</u>	<u>354,725,190</u>
Total	19,193,346,713	\$38,551,382,613	\$6,482,481,383
Oil			
1953-86	151,574,446	\$ 3,499,416,522	\$ 563,616,830
1987	24,634,142	432,622,928	68,390,025
1988	26,115,776	406,007,277	61,042,482
1989	25,887,841	463,927,147	71,165,593
1990	26,439,927	586,059,755	90,972,456
1991	23,899,428	500,408,109	78,554,391
1992	23,582,162	439,238,026	70,375,096
1993	19,151,111	334,497,433	52,546,098
1994	19,121,540	279,327,650	44,004,316
1995	17,347,391	293,522,422	46,270,515
1996	<u>21,078,663</u>	<u>412,689,217</u>	<u>64,982,503</u>
Total	378,832,427	\$ 7,647,716,486	\$1,211,920,305
Other			
1953-86	N/A	\$ 58,658,113	\$ 7,242,015
1987	N/A	7,177,760	1,166,293
1988	N/A	11,151,041	1,519,441
1989	N/A	14,377,118	1,793,054
1990	N/A	24,287,594	3,272,545
1991	N/A	35,275,907	4,682,934
1992	N/A	37,499,542	4,857,025
1993	N/A	37,167,899	4,935,545
1994	N/A	18,929,040	2,349,650
1995	N/A	37,248,210	4,624,462
1996	N/A	<u>33,340,929</u>	<u>4,473,840</u>
Total	N/A	\$ 315,113,153	\$ 40,916,804

Preliminary

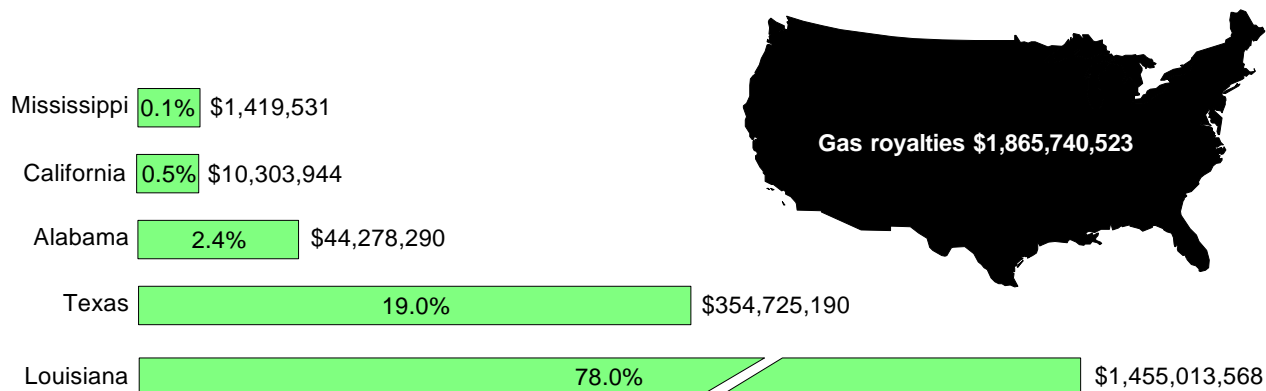


Figure 19. OCS gas royalties by State, Calendar Year 1996

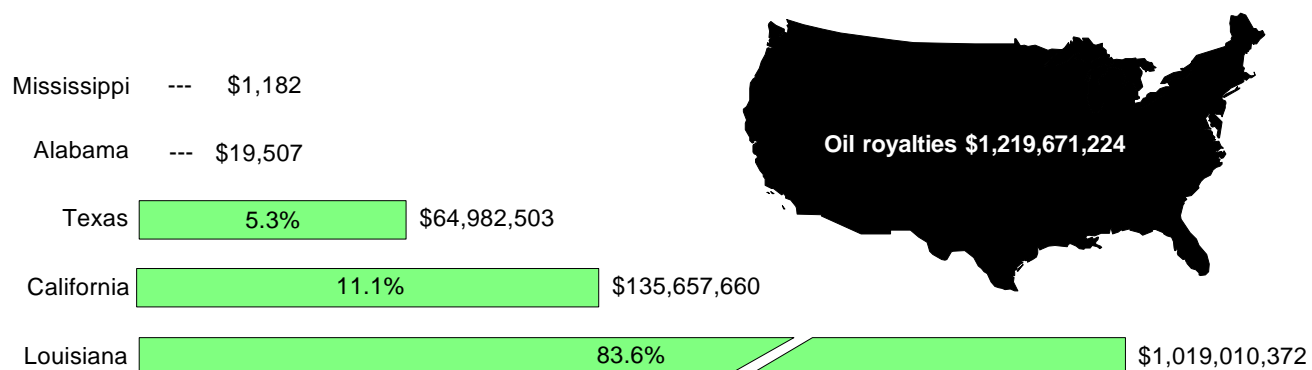


Figure 20. OCS oil royalties by State, Calendar Year 1996

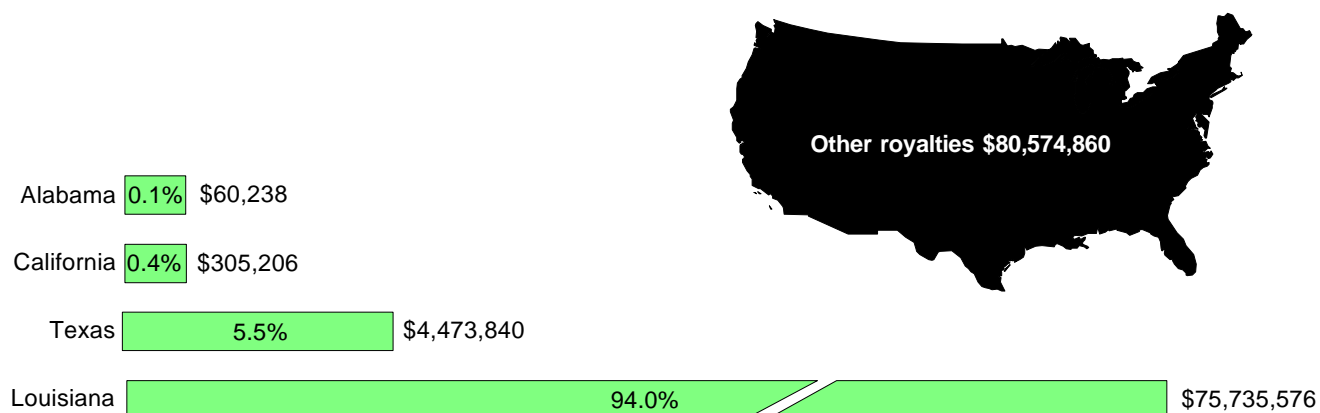


Figure 21. OCS other royalties by State, Calendar Year 1996

Preliminary**Table 17. Summary of sales volume, sales value, and royalties by commodity and year from OCS mineral leases, Calendar Years 1953-96**

Offshore Totals	Sales Volume	Sales Value	Royalties
Gas			
1953-86	74,716,007,206	\$ 96,275,825,499	\$15,785,502,146
1987	4,425,581,690	8,134,688,593	1,337,761,434
1988	4,309,874,827	7,946,040,609	1,310,301,872
1989	4,200,263,926	7,838,429,288	1,300,193,995
1990	5,092,931,169	9,458,313,225	1,539,364,756
1991	4,515,531,673	7,890,057,471	1,286,891,566
1992	4,685,644,725	8,164,857,461	1,333,786,723
1993	4,533,389,731	9,893,435,203	1,591,838,003
1994	4,657,017,829	9,752,514,909	1,544,996,745
1995	4,692,270,825	7,506,770,659	1,177,842,219
1996	<u>5,024,420,807</u>	<u>11,767,527,942</u>	<u>1,865,740,523</u>
Total	120,852,934,408	\$184,628,460,859	\$30,074,219,982
Oil			
1953-86	7,527,779,714	\$ 90,116,683,092	\$14,878,336,005
1987	366,141,709	6,345,053,438	999,273,491
1988	320,667,424	4,814,904,938	747,454,359
1989	305,167,655	5,255,557,800	818,591,495
1990	324,423,181	6,980,537,688	1,090,953,312
1991	315,693,251	6,318,372,699	996,566,085
1992	353,726,380	6,319,667,075	968,052,702
1993	362,675,766	5,874,410,733	885,005,673
1994	369,474,307	5,202,103,469	799,238,495
1995	408,875,006	6,297,737,262	947,632,252
1996	<u>438,003,670</u>	<u>8,009,042,336</u>	<u>1,219,671,224</u>
Total	11,092,628,063	\$151,534,070,530	\$24,350,775,093
Other			
1953-86	N/A	\$ 2,613,338,432	\$ 279,072,203
1987	N/A	95,893,127	14,129,101
1988	N/A	168,566,388	20,845,382
1989	N/A	258,695,617	32,604,073
1990	N/A	477,492,097	54,481,455
1991	N/A	637,845,157	72,059,198
1992	N/A	659,867,924	75,339,395
1993	N/A	624,399,089	76,089,154
1994	N/A	518,972,947	58,879,083
1995	N/A	701,687,051	81,265,344
1996	N/A	<u>666,716,470</u>	<u>80,574,860</u>
Total	N/A	\$ 7,423,474,299	\$ 845,339,248

Preliminary**Table 18. Summary of rents by area from OCS leases, Calendar Years 1953-96**

	1953-86	1987	1988	1989	1990	1991
Alabama	\$ 2,559,192	\$ 548,601	\$ 130,884	\$ 160,020	\$ 155,469	\$ 141,522
Alaska	42,972,014	7,677,314	16,915,379	18,708,334	15,255,133	15,243,423
Atlantic States	34,196,821	1,757,182	1,308,672	1,161,216	1,179,648	(676,985)
California	31,301,986	1,848,659	1,130,759	1,104,568	901,733	640,071
Florida	10,249,057	---	1,972,047	(14,825)	88,527	110,191
Gulf of Mexico	---	---	---	---	---	---
Louisiana	269,162,895	52,115,828	35,752,757	48,498,402	55,568,777	59,126,732
Mississippi	988,789	138,240	17,280	51,840	69,120	51,840
Oregon	3,759,021	---	---	---	---	---
Texas	88,906,933	10,556,888	5,640,007	9,578,098	6,120,723	3,478,608
Washington	<u>1,399,080</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$485,495,788	\$74,642,712	\$62,867,785	\$79,247,653	\$79,339,130	\$78,115,402

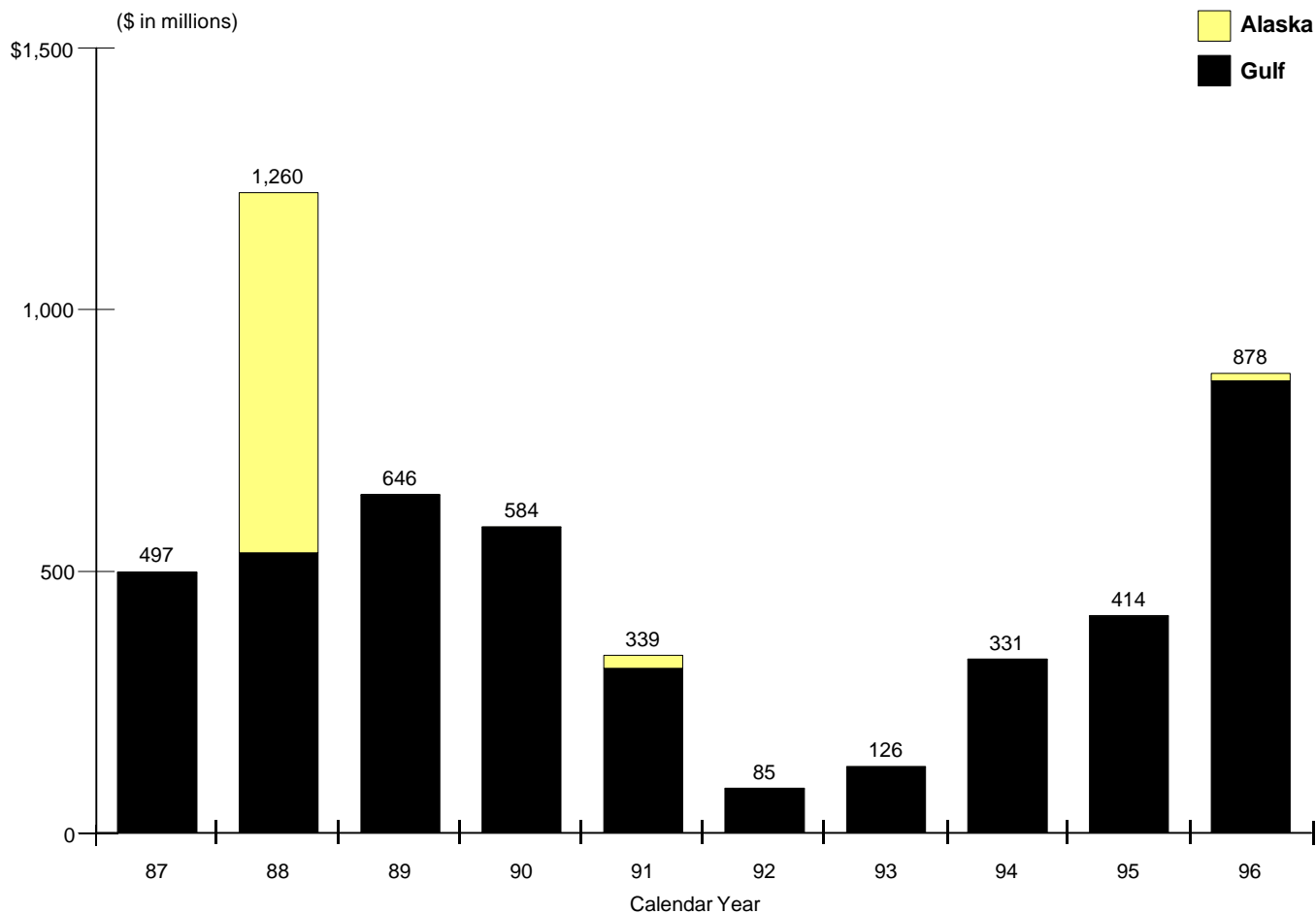
Preliminary**Table 18. Summary of rents by area from OCS leases, Calendar Years 1953-96 (cont.)**

1992	1993	1994	1995	1996	1953-96	
\$ 147,523	\$ 319,721	\$ 740,244	\$ 999,444	\$ 570,027	\$ 6,472,647	Alabama
7,374,262	4,392,274	949,685	1,028,693	1,644,150	132,160,661	Alaska
92,160	---	312,839	432,521	1,015,687	40,779,761	Atlantic States
402,180	54,144	50,980	(64,148)	(26,465)	37,344,467	California
105,807	114,606	107,177	68,172	85,558	12,886,317	Florida
---	---	---	---	82,101,722	82,101,722	Gulf of Mexico
49,087,621	29,268,366	30,003,884	62,526,069	53,231,380	744,342,711	Louisiana
107,686	51,840	46,080	379,459	46,080	1,948,254	Mississippi
---	---	---	---	---	3,759,021	Oregon
2,381,572	5,585,737	7,655,697	21,953,650	20,011,910	181,869,823	Texas
---	---	---	---	---	1,399,080	Washington
\$59,698,811	\$39,786,688	\$39,866,586	\$87,323,860	\$158,680,049	\$1,245,064,464	Total

NOTE: Boundaries for offshore State areas have not been legally defined beyond the area identified in section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries will be listed in this report under "Gulf of Mexico." Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

Preliminary**Table 19. Calendar Year 1996 bonuses paid on lease sales of OCS oil and gas tracts by area**

	Sale No.	Sale Date	Tracts Leased	Acres Leased	Bonuses Paid
Alaska					
Beaufort Sea	144	9-18-96	29	100,026	\$ 14,429,363
Atlantic	No leasing activity since 1983				
Gulf of Mexico					
Central	157	4-24-96	902	4,641,292	511,555,568
Western	161	9-25-96	606	3,407,403	352,180,828
Pacific	No leasing activity since 1984				
Total			1,537	8,148,721	\$878,165,759

**Figure 22. Bonuses paid on lease sales of OCS oil and gas tracts by OCS region, 1987-96**

Preliminary**Table 20. Summary of bonuses paid on lease sales of OCS oil and gas tracts, Calendar Years 1954-96**

	No. of Sales	Tracts Leased	Acres Leased	Bonuses Paid
1954*	3	114	486,870	\$ 140,969,005
1955.	1	121	402,567	108,528,726
1959	2	42	171,300	89,746,992
1960**	2	148	707,026	282,717,065
1962	3	420	1,929,177	489,481,061
1963	1	57	312,945	12,807,337
1964	2	124	613,524	95,874,327
1965*	1	50	72,000	33,740,309
1966	3	42	141,768	209,199,893
1967**	2	159	746,951	510,109,742
1968	3	197	934,164	1,346,487,097
1969*	3	40	114,282	111,660,685
1970	2	138	598,540	945,064,773
1971	1	11	37,222	96,304,523
1972	2	178	826,195	2,251,347,556
1973	2	187	1,032,570	3,082,462,611
1974	4	356	1,762,158	5,022,860,815
1975	4	321	1,679,877	1,088,133,152
1976	4	246	1,277,937	2,242,898,467
1977	2	211	1,100,734	1,568,564,745
1978	4	249	1,297,274	1,767,042,064
1979	6	351	1,767,443	5,078,861,692
1980	3	218	1,134,227	4,204,640,257
1981	7	430	2,265,537	6,652,980,897
1982	5	357	1,886,360	3,987,490,009
1983	8	1,251	6,587,823	5,749,016,369
1984	6	1,387	7,397,939	3,928,876,308
1985	3	681	3,573,554	1,557,650,714
1986	2	142	734,418	187,094,747
1987	2	640	3,447,809	497,247,006
1988***	7	1,621	8,838,943	1,259,548,738
1989	2	1,049	5,580,867	645,617,410
1990	2	825	4,263,446	584,301,918
1991	4	676	3,413,560	338,856,549
1992	2	204	1,020,919	84,784,975
1993	2	336	1,714,458	126,467,246
1994	2	560	2,775,014	331,367,072
1995	2	835	4,341,665	414,007,620
1996	3	1,537	8,148,721	878,165,759
Total	119	16,511	85,137,784	\$58,002,976,231

* Sales include one sulfur lease.

** Sales include one salt lease.

*** Sales include one salt and sulfur lease.

Preliminary**Table 21. Summary of other revenues by area from OCS leases, Calendar Years 1957-96**

	1957-86	1987	1988	1989	1990	1991
Alabama	\$ 85,356	\$ 101,859	\$ 209,011	\$ 191,949	\$ 252,089	\$ 248,742
Alaska	221,330	71,320	130,696	102,480	84,048	67,568
Atlantic States	73,728	---	---	---	---	---
California	2,221,848	434,917	646,162	526,300	551,205	441,400
Gulf of Mexico	---	---	---	---	---	---
Louisiana	41,300,092	19,239,027	8,727,373	26,261,190	16,028,740	15,444,167
Mississippi	---	15,594	32,874	15,594	49,731	49,731
Texas	<u>11,945,575</u>	<u>1,536,615</u>	<u>7,076,705</u>	<u>11,793,401</u>	<u>2,332,435</u>	<u>4,426,090</u>
Total	\$55,847,929	\$21,399,332	\$16,822,821	\$38,890,914	\$19,298,248	\$20,677,698

Preliminary**Table 21. Summary of other revenues by area from OCS leases, Calendar Years 1957-96 (cont.)**

1992	1993	1994	1995	1996	1957-96	
\$ 1,691,097	\$ (13,741)	\$ 129,294	\$ (679,998)	\$ 363,036	\$ 2,578,694	Alabama
67,568	67,568	86,000	86,000	98,945	1,083,523	Alaska
---	---	---	---	---	73,728	Atlantic States
997,354	3,068,787	343,906	(1,176,725)	521,887	8,577,041	California
---	---	---	---	2,317	2,317	Gulf of Mexico
33,533,897	119,445,081	141,190,812	19,803,444	40,394,227	481,368,050	Louisiana
67,011	299,731	280,911	90,589	(8,289)	893,477	Mississippi
<u>3,386,119</u>	<u>14,859,633</u>	<u>(1,094,099)</u>	<u>(2,440,656)</u>	<u>9,436,809</u>	<u>63,258,627</u>	Texas
\$39,743,046	\$137,727,059	\$140,936,824	\$15,682,654	\$50,808,932	\$557,835,457	Total

NOTE: This table was formerly titled "Summary of minimum royalties by area from OCS leases." The revenues in this table include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, and recoupments. The increase in revenues in 1993-94 was due to additional collections from settlements. The decline in revenues in 1995 was due to a lower volume of settlement payments and to a number of recoupments for estimated royalty payments, particularly recoupments of estimated gas royalties. Estimated payments by many payors exceeded royalty obligations when gas prices fell in 1995.

Boundaries for offshore State areas have not been legally defined beyond the area identified in section 8(g) of the Outer Continental Shelf Lands Act Amendments of 1985, Public Law 99-272. Beginning in 1996, revenues from new offshore leases issued in the Gulf of Mexico beyond the section 8(g) boundaries will be listed in this report under "Gulf of Mexico". Revenues from leases issued within each State's 8(g) zone and leases previously identified with a particular State will continue to be listed under that State.

Preliminary

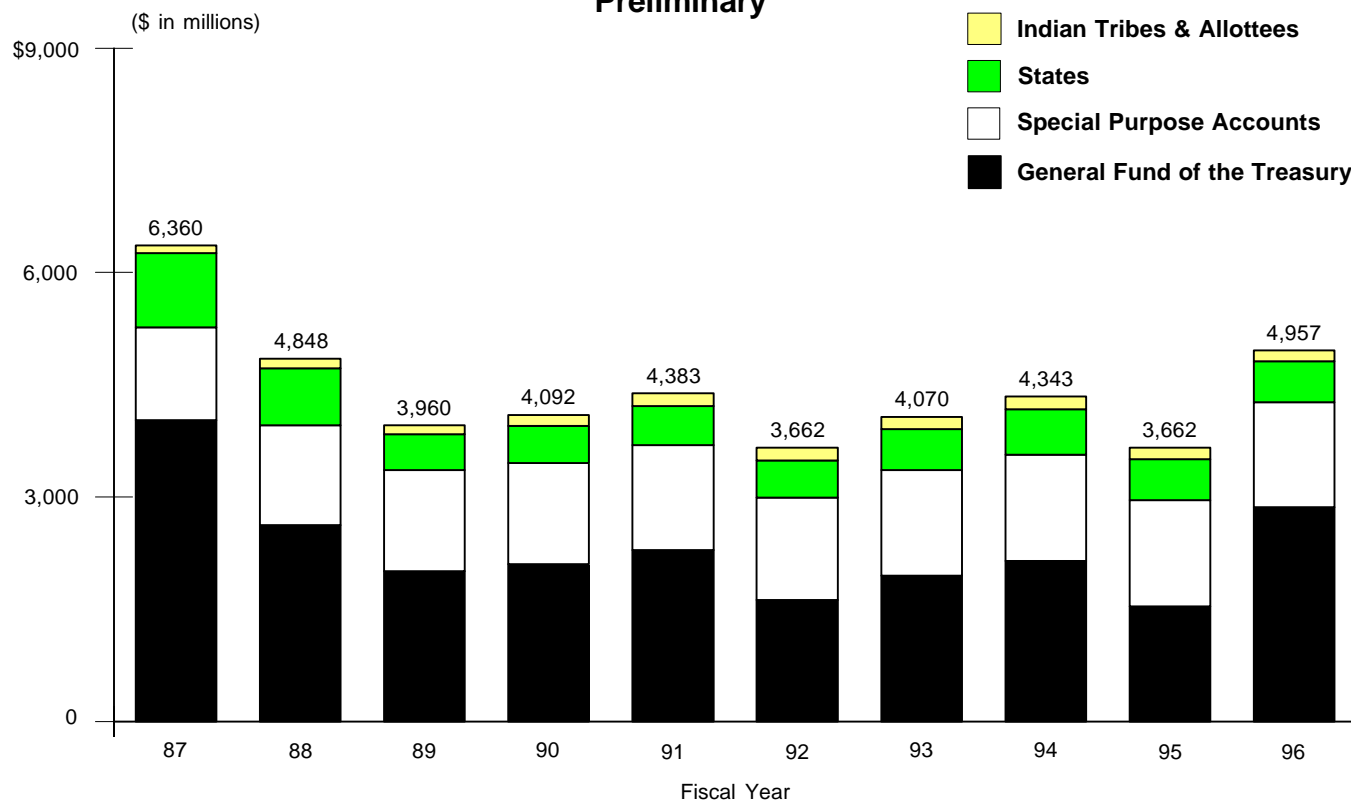


Figure 38. Disbursement of mineral revenues, in millions, from Federal and Indian Leases, Fiscal Years 1987-96

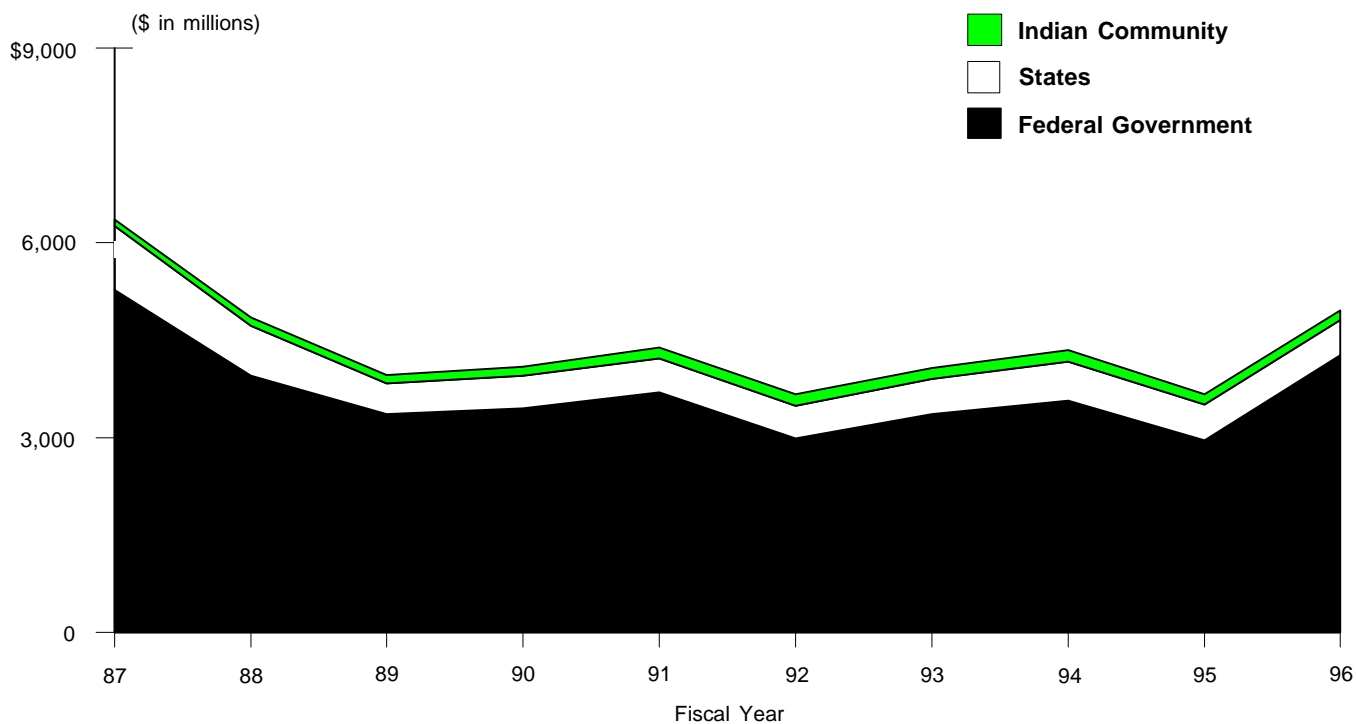


Figure 39. Disbursement of mineral revenues, in millions, to the Indian Community, States, and the Federal Government, Fiscal Years 1987-96

Distribution of Federal and Indian Mineral Revenues

Revenues collected in 1996 from mineral leases on Federal lands were distributed to States, to the U.S. Department of the Treasury (Treasury), and to a number of designated special-purpose accounts administered by Federal agencies. The Bureau of Indian Affairs (BIA) disbursed revenues collected from Indian leases to the appropriate Indian Tribes and allottees. Formulas for these disbursements are governed by legislation and regulations (table 30).

The General Fund of the Treasury received 57.8 percent, or \$2.9 billion, of all revenues in Fiscal Year (FY) 1996. Payments to three special-purpose accounts amounted to \$1.4 billion, or 28.2 percent of total mineral revenues. Another \$547.6 million, or 11.1 percent, was disbursed to mineral-producing States from offshore and onshore mineral activity. Indian revenues directed to Tribal governments and individual allotment owners equaled 2.9 percent, or \$145.8 million, during the fiscal year (table 31 and figure 40).

Royalty payments are generally due on the last day of the month following the month of production, unless that day falls on a weekend or holiday. Payments are then due on the first business day of the following month.

Since 1983, the Minerals Management Service (MMS) has generally disbursed mineral revenues derived from leases on public domain lands and shared with the States in the month following receipt of the payment. Disbursements are made under the provisions of section 104 of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) which amended the revenue disbursement provisions of the Mineral Leasing Act of 1920 (MLA), 30 U.S.C. 191. Since revenues collected in one month are disbursed in the following month, collection totals in a given year will not equal disbursement totals for the same year. Royalty, rent, and bonus revenues totaling \$457.8 million were distributed to 33 States from Federal onshore lands in FY 1996 (tables 33 and 34, and figure 41).

The MMS deposits Indian revenues in accounts administered by the Office of Trust Funds Management (OTFM) where they are invested and subsequently distributed to Indian Tribes and allottees by BIA.

The MMS administers mineral leases from different land categories. Legislation and regulations govern formulas for the disbursement of revenues from these leases (table 30).

Outer Continental Shelf Lands

Royalty, rent, and bonus revenues from Federal offshore mineral leases on the Outer Continental Shelf (OCS) are deposited to the General Fund of the Treasury through miscellaneous receipts. Under other applicable laws, specified amounts from total offshore revenues are transferred to the National Historic Preservation Fund and the Land and Water Conservation Fund. Transfers to the National Historic Preservation Fund totaled \$150 million and transfers to maintain the Land and Water Conservation Fund's annual authorization of \$900 million equaled \$896.9 million in FY 1996 (table 31 and figure 40).

Section 8(g) of the Outer Continental Shelf Lands Act (OCSLA) Amendments of 1978 provided that the States were to receive a "fair and equitable" division of revenues generated from the leasing of lands within 3 miles of the seaward boundary of a coastal State containing one or more oil and gas pools or fields underlying both the OCS and lands subject to the jurisdiction of the State. The States and the Federal Government, however, could not reach agreement concerning the meaning of the term "fair and equitable." Revenues generated within the 3-mile boundary were placed into an escrow fund beginning in August 1979. Revenues from the Beaufort Sea in Alaska were placed into a second escrow fund under section 7, beginning in December 1979.

Congress resolved the dispute over the meaning of "fair and equitable" in the OCSLA Amendments of 1985, Public Law 99-272. The law provides for the following distribution of section 8(g) revenues to the States:

- Disbursement of escrow funds during FY 1986-87;
- A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and
- Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State's 8(g) zone (table 30).

Congress passed a second law, Public Law 100-202, permitting distribution of \$322.9 million of the section 7 Beaufort Sea escrow funds to Alaska in FY 1988.

Preliminary

Nearly \$89.9 million in OCS royalties and escrow funds was released to seven States in FY 1996 under the provisions of the OCSLA Amendments of 1985 (tables 33 and 35).

Public Domain Lands

The majority of Federal lands are in the public domain. Under section 35 of MLA, States other than Alaska receive 50 percent of all royalties, rents, and bonuses collected from any public domain leases located within their respective boundaries. Forty percent of remaining mineral revenues is deposited in the Reclamation Fund, and 10 percent is directed into the General Fund of the Treasury (table 30).

Alaska receives 90 percent of all royalties, rents, and bonuses paid for mineral production on public domain leases in Alaska. The State also receives 50 percent of all royalties, rents, and bonuses generated from the National Petroleum Reserve Alaska (table 30).

Acquired Lands

The MMS collects all royalties, rents, and bonuses from leases issued under the Mineral Leasing Act for Acquired Lands of 1947, 30 U.S.C. 35 *et seq.*, on behalf of a number of Federal agencies. Revenues are disbursed according to laws applicable to the lands (table 30).

Seventy-five percent of mineral receipts from leases on acquired lands within a national forest administered by the U.S. Department of Agriculture (USDA) is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the State in which the lease is located (table 30).

Seventy-five percent of mineral revenues from leases on acquired lands within a national grassland administered by USDA is distributed to the General Fund of the Treasury. The remaining 25 percent is distributed to the county in which the lease is located (table 30).

Seventy-five percent of mineral receipts from acquired Flood Control Act lands administered by the U.S. Army Corps of Engineers (COE) is distributed to the State in which the lease is located. The remaining 25 percent is distributed to the General Fund of the Treasury (table 30).

Mineral revenues derived from leases on acquired National Wildlife Refuge lands are shared with the county in which the lease is located, according to one of three alternative formulas prescribed by statute. The remainder is deposited in the General Fund of the Treasury (table 30).

All mineral receipts generated from leases on acquired reclamation project lands are paid to the Reclamation Fund (table 30).

Mineral revenues collected from leases on acquired military lands issued before 1981 are deposited in the General Fund of the Treasury. Revenues collected from leases issued beginning January 1, 1981, are disbursed in the same manner as revenues from public domain leases (table 30).

Receipts from other acquired lands are deposited in a general Treasury account (table 30).

The COE and USDA distributed revenues from acquired lands under their jurisdiction to the States through the end of FY 1992. The MMS assumed distribution of acquired land revenues to the States from lands administered by COE and from national forests administered by USDA beginning in FY 1993. The USDA continued to distribute revenues to the States from acquired grasslands (table 32).

Indian Lands

The BIA collects bonuses and rents from nonproducing leases. The MMS disburses mineral royalties and rents from producing Indian Tribal and allotted leases to OTFM. The BIA subsequently makes disbursements to Tribes and to individual Indian allottees, with the following exceptions:

- Oil and gas payments to four Tribes—the Jicarilla Apache, the Blackfeet, the Navajo, and the Southern Ute—are made directly by the lease payor to financial institutions contracted by the Tribes to receive their mineral payments.
- The BIA has authorized payors to make direct payments to selected individual Indian allottees.
- The Osage Nation manages all mineral leases on its Tribal lands and collects its own revenues.
- Solid mineral royalties are paid directly to the applicable Tribes or to a designated BIA office.

Alaska Native Lands

Payments to the Cook Inlet Region, Inc., in Alaska on behalf of Alaskan Natives for the interests the region holds in several former Federal leases, are made directly by lease payors to the corporation.

Preliminary**Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases**

<u>Outer Continental Shelf Lands</u>	
Special-Purpose Accounts	<p>\$150 million per year to the Historic Preservation Fund.</p> <p>Up to \$900 million per year to the Land and Water Conservation Fund.</p>
States	<p>Section 8(g) of the Outer Continental Shelf Lands Act, as amended, provides for the following distribution of revenues to the States:</p> <ul style="list-style-type: none"> • Disbursement of escrow funds in FY 1986-87; • A series of annual settlement payments disbursed to the States over a 15-year period from FY 1987 to FY 2001; and • Recurring annual disbursements of 27 percent of royalty, rent, and bonus revenues received within each affected State's 8(g) zone.
U.S. Treasury	<p>The balance of revenues are directed to the General Fund of the U.S. Treasury.</p>

Public Domain Lands Other Than Alaska

Special-Purpose Accounts	40 percent to the Reclamation Fund.
States	50 percent to the State in which the lease is located.
U.S. Treasury	10 percent to the General Fund of the U.S. Treasury.

Public Domain Lands - Alaska

States	90 percent to the State of Alaska.
U.S. Treasury	10 percent to the General Fund of the U.S. Treasury.

Preliminary

Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases (cont.)

Public Domain Lands - National Petroleum Reserve Alaska

States 50 percent to the State of Alaska.

U.S. Treasury 50 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Forests

States 25 percent to the State in which the lease is located.

U.S. Treasury 75 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Grasslands

Counties 25 percent to the county in which the lease is located.

U.S. Treasury 75 percent to the General Fund of the U.S. Treasury.

Acquired Flood Control Act Lands Administered by U.S. Army Corps of Engineers

States 75 percent to the State in which the lease is located.

U.S. Treasury 25 percent to the General Fund of the U.S. Treasury.

Acquired Lands - National Wildlife Refuges

Counties Revenues disbursed according to one of three alternative formulas prescribed by statute.

U.S. Treasury Remainder to the General Fund of the U.S. Treasury.

Preliminary**Table 30. Formulas for the disbursement of revenues from Federal and Indian mineral leases (cont.)****Acquired Reclamation Project Lands Administered by the Bureau of Reclamation**

Special-Purpose Accounts 100 percent to the Reclamation Fund.

Acquired Military Lands - Leases Issued Before 1981

U.S. Treasury 100 percent to the General Fund of the U.S. Treasury.

Acquired Military Lands - Leases Issued Beginning January 1, 1981

Special-Purpose Accounts 40 percent to the Reclamation Fund.

States 50 percent to the State in which the lease is located.

U.S. Treasury 10 percent to the General Fund of the U.S. Treasury.

Acquired Lands - Other

U.S. Treasury 100 percent to the General Fund of the U.S. Treasury.

Alaska Native Lands - Cook Inlet Region, Inc.

Alaskan Natives 100 percent of Alaskan Native shares to Cook Inlet Region, Inc.

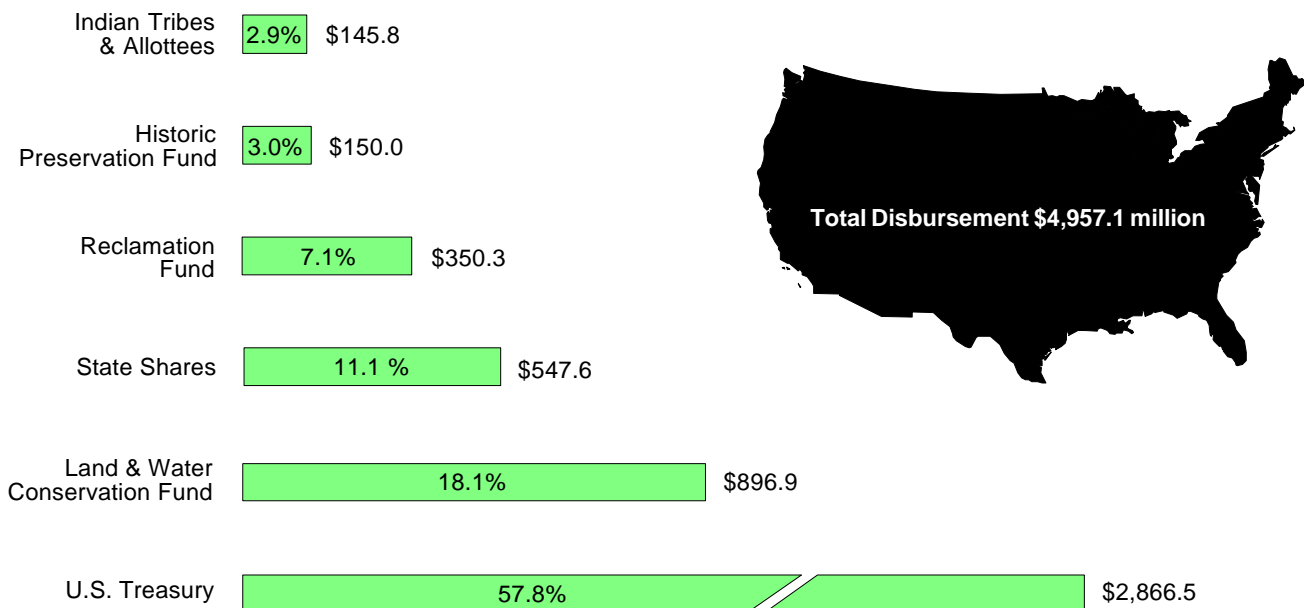
Indian Lands

Indian Tribes and Allottees 100 percent to Indian Tribes and allottees.

Preliminary

Table 31. Disbursement of Federal and Indian mineral lease revenues, Fiscal Years 1982-96

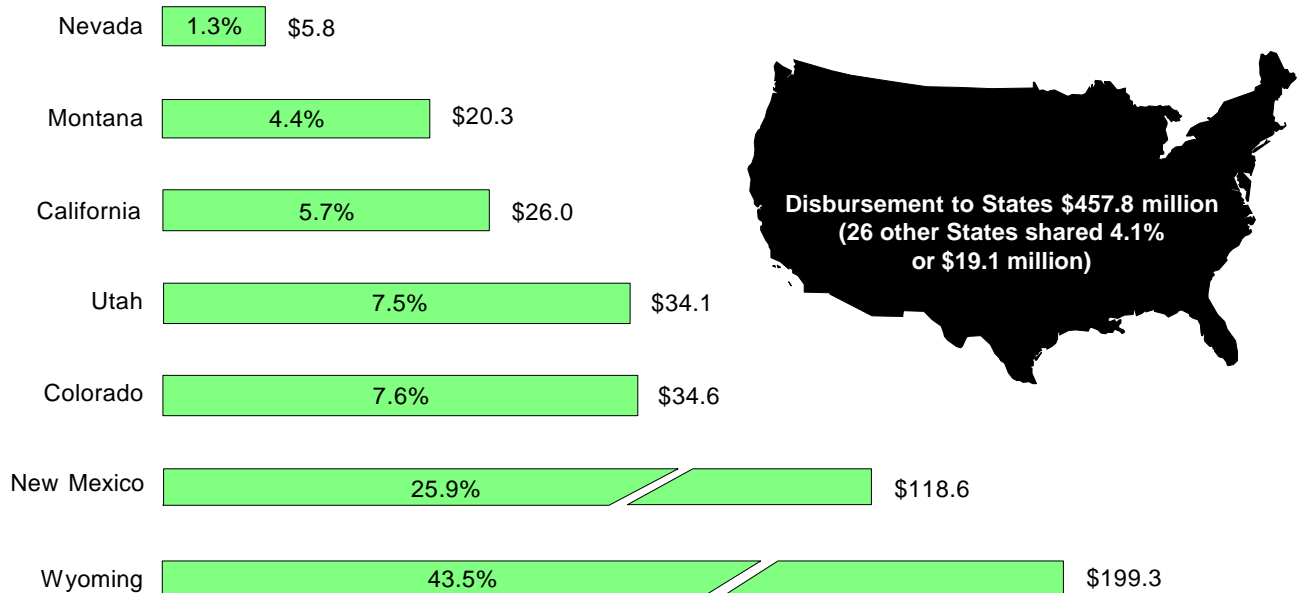
	Revenues in Thousands of Dollars						Total
	Historic Preserve Fund	Land & Water Conserve Fund	Reclamation Fund	Indian Tribes & Allottees	State Share	U.S. Treasury	
1982	\$ 150,000	\$ 825,950	\$ 435,688	\$ 203,000	\$ 609,660	\$ 5,476,020	\$ 7,700,318
1983	150,000	814,693	391,891	169,600	454,359	9,582,227	11,562,770
1984	150,000	789,421	414,868	163,932	542,646	5,848,044	7,908,911
1985	150,000	784,279	415,688	160,479	548,937	4,744,317	6,803,700
1986	150,000	755,224	339,624	122,865	1,390,632	4,983,055	7,741,400
1987	150,000	823,576	265,294	100,499	990,113	4,030,979	6,360,461
1988	150,000	859,761	317,505	125,351	767,623	2,627,721	4,847,961
1989	150,000	862,761	337,865	121,954	480,272	2,006,837	3,959,689
1990	150,000	843,765	353,708	141,086	501,207	2,102,576	4,092,342
1991	150,000	885,000	368,474	164,310	524,207	2,291,085	4,383,076
1992	150,000	887,926	328,081	170,378	500,866	1,624,864	3,662,115
1993	150,000	900,000	366,593	164,385	543,717	1,945,730	4,070,425
1994	150,000	862,208	410,751	172,132	606,510	2,141,755	4,343,356
1995	150,000	896,987	367,284	153,319	553,012	1,541,048	3,661,650
1996	150,000	896,906	350,264	145,791	547,625	2,866,509	4,957,095
Total . .	\$2,250,000	\$12,688,457	\$5,463,578	\$2,279,081	\$9,561,386	\$53,812,767	\$86,055,269

**Figure 40. Disbursement of mineral revenues, in millions, from Federal and Indian leases, Fiscal Year 1996**

Preliminary**Table 32. Summary of mineral revenues distributed to other Federal agencies by the Minerals Management Service from Federal onshore acquired lands, Fiscal Years 1985-96**

	U.S. Army Corps of Engineers	U.S. Department of Agriculture
1985.	\$ 2,563,572	\$ 73,531,777
1986.	2,470,295	39,694,197
1987.	1,313,384	47,591,946
1988.	621,309	44,717,622
1989.	2,002,190	91,939,261
1990.	2,887,861	54,693,426
1991.	1,181,910	37,184,243
1992.	1,420,404	22,336,570
1993.	---	18,075,994
1994.	---	13,994,072
1995.	---	18,675,702
1996.	---	15,648,918
Total	\$14,460,925	\$478,083,728

NOTE: The U.S. Army Corps of Engineers (COE) and the U.S. Department of Agriculture (USDA) distributed revenues from acquired lands under their jurisdiction to the States through the end of Fiscal Year (FY) 1992. Beginning in FY 1993, the Minerals Management Service assumed distribution of acquired land revenues to the States from lands administered by COE and from national forests administered by USDA. The USDA continued to distribute revenues to the States from acquired grasslands.

**Figure 41. Disbursement to States of royalties and other revenues from Federal onshore leases, in millions, Fiscal Year 1996**

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996**

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
Alabama					
Offshore	\$ ---	\$9,736,722	\$ 5,237	\$ 27,534	\$ 9,769,493
Onshore	48,518	130,605	84,289	1,149	264,561
Total	48,518	9,867,327	89,526	28,683	10,034,054
Alaska					
Offshore	---	---	---	---	---
Onshore	---	3,131,035	2,400,326	(62,650)	5,468,711
Total	---	3,131,035	2,400,326	(62,650)	5,468,711
Arizona					
Onshore	---	---	---	---	---
Arkansas					
Onshore	---	803,839	2,297	564	806,700
California					
Offshore	---	115,287	4,621,548	38,570	4,775,405
Onshore	---	1,344,033	12,968,696	12,420,140	26,732,869
Total	---	1,459,320	17,590,244	12,458,710	31,508,274
Colorado					
Onshore	13,835,110	5,837,495	6,854,925	5,290,533	31,818,063
Florida					
Offshore	---	---	---	---	---
Onshore	---	---	---	14,689	14,689
Total	---	---	---	14,689	14,689
Idaho					
Onshore	---	---	---	2,233,232	2,233,232
Illinois					
Onshore	---	---	77,436	9,463	86,899
Indiana					
Onshore	---	---	---	---	---
Kansas					
Onshore	---	860,167	111,930	44,256	1,016,353
Kentucky					
Onshore	68,135	25,843	1,076	---	95,054
Louisiana					
Offshore	---	7,903,236	3,537,112	130,862	11,571,210
Onshore	---	186,669	390,817	23,896	601,382
Total	---	8,089,905	3,927,929	154,758	12,172,592

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996 (cont.)**

Rents	Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
					Alabama
\$ 19,201	\$ 124,382	\$ 900,423	\$ ---	\$10,813,499	Offshore
35,865	---	(73,799)	(29,925)	196,702	Onshore
55,066	124,382	826,624	(29,925)	11,010,201	Total
					Alaska
46,788	---	9,481,266	---	9,528,054	Offshore
42,068	---	(211,243)	(629,471)	4,670,065	Onshore
88,856	---	9,270,023	(629,471)	14,198,119	Total
					Arizona
23,239	---	24,000	(6,479)	40,760	Onshore
					Arkansas
89,463	79,984	3,216	(59,418)	919,945	Onshore
					California
(429)	---	20,190,545	---	24,965,521	Offshore
176,314	18,224	973,315	(1,885,989)	26,014,733	Onshore
175,885	18,224	21,163,860	(1,885,989)	50,980,254	Total
					Colorado
1,628,061	2,052,018	1,723,285	(2,658,402)	34,563,025	Onshore
					Florida
10,194	---	---	---	10,194	Offshore
16,950	---	1,699	(6,379)	26,959	Onshore
27,144	---	1,699	(6,379)	37,153	Total
					Idaho
7,731	21,737	72,931	(177,085)	2,158,546	Onshore
					Illinois
3,352	---	114	(10,869)	79,496	Onshore
					Indiana
104	---	---	---	104	Onshore
					Kansas
6,405	---	137,321	(66,491)	1,093,588	Onshore
					Kentucky
5,246	1,858	14,738	(4,616)	112,280	Onshore
					Louisiana
292,445	4,666,400	6,592,185	---	23,122,240	Offshore
110,472	258,308	25,318	(52,271)	943,209	Onshore
402,917	4,924,708	6,617,503	(52,271)	24,065,449	Total

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996 (cont.)**

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
Michigan					
Onshore	\$ ---	\$ 629,601	\$ 67,130	\$ 17,268	\$ 713,999
Minnesota					
Onshore	---	---	---	---	---
Mississippi					
Offshore	---	387,897	23	---	387,920
Onshore	---	69,522	321,632	---	391,154
Total	---	457,419	321,655	---	779,074
Missouri					
Onshore	---	---	---	1,232,367	1,232,367
Montana					
Onshore	17,267,227	1,174,541	2,307,001	46,487	20,795,256
Nebraska					
Onshore	---	---	12,165	---	12,165
Nevada					
Onshore	---	---	998,594	2,845,649	3,844,243
New Mexico					
Onshore	10,726,305	67,870,594	27,274,485	7,993,528	113,864,912
North Carolina					
Onshore	---	---	---	---	---
North Dakota					
Onshore	461,432	181,488	1,777,268	17,331	2,437,519
Ohio					
Onshore	---	155,750	25,170	---	180,920
Oklahoma					
Onshore	214,091	1,150,902	158,194	8,461	1,531,648
Oregon					
Onshore	---	---	---	---	---
Pennsylvania					
Onshore	---	19,224	2,361	---	21,585
South Carolina					
Onshore	---	---	---	---	---

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996 (cont.)**

Rents		Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
\$	18,057	\$ ---	\$ 30,699	\$ (60,428)	\$ 702,327	Michigan Onshore
	(11,582)	---	18,296	(589)	6,125	Minnesota Onshore
	4,587	---	153,314	---	545,821	Mississippi Offshore
	94,737	85,726	2,864	(23,625)	550,856	Onshore
	99,324	85,726	156,178	(23,625)	1,096,677	Total
	2,875	---	6,987	(36,732)	1,205,497	Missouri Onshore
	601,510	345,010	373,429	(1,844,125)	20,271,080	Montana Onshore
	1,162	51	1,936	(1,056)	14,258	Nebraska Onshore
	2,103,710	304,859	78,594	(572,130)	5,759,276	Nevada Onshore
	1,274,265	5,592,591	3,711,087	(5,846,857)	118,595,998	New Mexico Onshore
	---	---	119	(15)	104	North Carolina Onshore
	89,550	123,025	(87,912)	(192,587)	2,369,595	North Dakota Onshore
	6,220	4,095	481	(26,227)	165,489	Ohio Onshore
	67,918	192,282	76,585	(148,901)	1,719,532	Oklahoma Onshore
	(30,620)	---	99,690	(3,275)	65,795	Oregon Onshore
	283	---	2,231	(2,511)	21,588	Pennsylvania Onshore
	138	---	1	---	139	South Carolina Onshore

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996 (cont.)**

	Coal Royalties	Gas Royalties	Oil Royalties	Other Royalties	Royalties Subtotal
South Dakota					
Onshore	\$ ---	\$ 21,044	\$ 266,142	\$ ---	\$ 287,186
Tennessee					
Onshore	---	76	---	---	76
Texas					
Offshore	---	8,192,268	324,981	113,001	8,630,250
Onshore	---	30,009	308,791	71,241	410,041
Total	---	8,222,277	633,772	184,242	9,040,291
Utah					
Onshore	18,590,501	3,806,751	4,297,435	422,061	27,116,748
Virginia					
Onshore	---	88,945	---	5,534	94,479
Washington					
Onshore	479,290	---	---	---	479,290
West Virginia					
Onshore	---	129,652	1,255	---	130,907
Wisconsin					
Onshore	---	---	---	---	---
Wyoming					
Onshore	<u>87,959,585</u>	<u>33,377,469</u>	<u>39,715,039</u>	<u>10,532,722</u>	<u>171,584,815</u>
Offshore Total	\$ ---	\$ 26,335,410	\$ 8,488,901	\$ 309,967	\$ 35,134,278
Onshore Total	<u>\$149,650,194</u>	<u>\$121,025,254</u>	<u>\$100,424,454</u>	<u>\$43,167,921</u>	<u>\$414,267,823</u>
Offshore and Onshore Total	\$149,650,194	\$147,360,664	\$108,913,355	\$43,477,888	\$449,402,101

Preliminary**Table 33. Summary of mineral revenues distributed to States from Federal mineral leases by revenue type, Fiscal Year 1996 (cont.)**

Rents	Bonuses	Other Revenues	Net Receipts Sharing	Total Disbursement	
					South Dakota
\$ 123,917	\$ 273,466	\$ 7,686	\$ (57,924)	\$ 634,331	Onshore
					Tennessee
---	---	---	---	76	Onshore
					Texas
209,000	2,076,713	9,969,334	---	20,885,297	Offshore
107,316	138,383	20,377	(28,563)	647,554	Onshore
<u>316,316</u>	<u>2,215,096</u>	<u>9,989,711</u>	<u>(28,563)</u>	<u>21,532,851</u>	Total
					Utah
2,142,435	6,419,910	771,176	(2,333,842)	34,116,427	Onshore
					Virginia
3,755	---	649	(8,860)	90,023	Onshore
					Washington
10,130	---	6,586	(27,606)	468,400	Onshore
					West Virginia
22,604	---	58,732	(15,191)	197,052	Onshore
					Wisconsin
931	---	(1)	(32)	898	Onshore
					Wyoming
<u>7,632,775</u>	<u>26,716,333</u>	<u>288,193</u>	<u>(6,889,309)</u>	<u>199,332,807</u>	Onshore
\$ 581,786	\$ 6,867,495	\$47,287,067	\$ ---	\$ 89,870,626	Offshore Total
<u>\$16,407,356</u>	<u>\$42,627,860</u>	<u>\$ 8,159,380</u>	<u>\$(23,707,780)</u>	<u>\$457,754,639</u>	Onshore Total
\$16,989,142	\$49,495,355	\$55,446,447	\$(23,707,780)	\$547,625,265	Offshore and Onshore Total

NOTE: The offshore royalty subtotal in table 33 includes only production royalties for oil, gas, and other commodities. Offshore minimum royalties in table 33 are listed under "Other Revenues." Offshore royalty figures in table 35 include both production royalties and minimum royalties. The offshore royalty figures in table 35 will subsequently not equal the offshore royalty subtotals in table 33.

As indicated, "Other Revenues" in table 33 include minimum royalties; however, other revenue sources are also represented, including settlement payments, gas storage fees, estimated payments, and recoupments.

"Net Receipts Sharing" represents administrative costs withheld from State distributions under the provisions of Public Law 103-66.

Preliminary**Table 34. Summary of mineral revenues distributed to States by the Bureau of Land Management and Minerals Management Service from Federal onshore mineral leases, Fiscal Years 1920-96**

	State Shares in Thousands of Dollars					
	1920-86	1987	1988	1989	1990	1991
Alabama	\$ 1,824	\$ 152	\$ 89	\$ 221	\$ 991	\$ 129
Alaska	272,205	13,044	8,042	9,429	8,048	9,953
Arizona	24,657	529	386	242	174	173
Arkansas	26,261	309	517	7,775	876	2,109
California	391,923	27,829	25,526	24,412	28,583	27,936
Colorado	497,314	37,033	31,176	32,616	36,356	57,944
Florida	1,017	28	4	186	56	49
Idaho	37,121	1,364	2,340	1,935	1,969	1,893
Illinois	---	---	---	---	---	---
Kansas	10,777	1,359	929	830	1,226	921
Kentucky	---	---	---	---	---	---
Louisiana	11,041	517	545	452	542	328
Michigan	724	56	173	668	724	669
Minnesota*	7	3	2	---	---	---
Mississippi	9,895	184	104	74	86	115
Missouri	---	---	---	---	---	---
Montana	207,704	27,407	26,068	19,958	20,318	23,227
Nebraska	2,012	170	156	115	127	---
Nevada	89,294	5,136	6,266	9,287	9,283	9,228
New Mexico	1,359,540	75,478	91,698	88,306	100,120	107,844
North Carolina	---	---	---	---	---	---
North Dakota	61,045	6,814	5,738	4,985	5,065	5,977
Ohio*	3	---	---	5	13	3
Oklahoma	24,003	1,596	1,621	1,912	1,817	1,716
Oregon	15,067	687	565	291	371	260
Pennsylvania	---	---	---	---	---	---
South Carolina	---	---	---	---	---	---
South Dakota	11,577	905	822	669	695	592
Tennessee*	13	---	---	---	---	---
Texas*	30	7	8	5	114	22
Utah	363,288	24,235	30,624	53,035	33,304	32,255
Virginia	---	18	18	20	20	19
Washington	3,314	280	232	208	155	231
West Virginia	28	---	---	---	---	---
Wisconsin*	---	1	1	---	---	---
Wyoming	<u>1,792,175</u>	<u>151,889</u>	<u>163,908</u>	<u>175,786</u>	<u>201,151</u>	<u>196,931</u>
Total	\$5,213,859	\$377,030	\$397,558	\$433,422	\$452,184	\$480,524

Preliminary**Table 34. Summary of mineral revenues distributed to States by the Bureau of Land Management and Minerals Management Service from Federal onshore mineral leases, Fiscal Years 1920-96 (cont.)**

State Shares in Thousands of Dollars						
1992	1993	1994	1995	1996	1920-96	
\$ 996	\$ 808	\$ 296	\$ 442	\$ 197	\$ 6,145	Alabama
7,745	6,940	5,377	4,584	4,670	350,037	Alaska
124	97	94	112	41	26,629	Arizona
2,556	1,538	1,201	832	920	44,894	Arkansas
24,311	22,084	21,544	25,467	26,015	645,630	California
44,558	35,916	34,372	35,576	34,563	877,424	Colorado
79	102	81	87	27	1,716	Florida
1,625	2,237	2,509	2,361	2,159	57,513	Idaho
---	191	207	94	79	571	Illinois
1,113	1,325	1,057	871	1,094	21,502	Kansas
---	87	70	73	112	342	Kentucky
376	782	532	728	943	16,786	Louisiana
764	698	753	885	702	6,816	Michigan
---	2	25	17	6	62	Minnesota*
10	739	486	577	551	12,821	Mississippi
---	475	599	1,013	1,205	3,292	Missouri
18,998	22,378	23,995	24,623	20,271	434,947	Montana
---	---	6	14	14	2,614	Nebraska
7,957	8,316	7,542	8,136	5,759	166,204	Nevada
102,594	135,117	143,174	119,203	118,596	2,441,670	New Mexico
---	1	1	1	---	3	North Carolina
5,199	3,325	2,505	2,490	2,370	105,513	North Dakota
3	351	207	243	165	993	Ohio*
1,243	2,778	1,970	1,842	1,720	42,218	Oklahoma
131	83	56	48	66	17,625	Oregon
---	20	18	22	22	82	Pennsylvania
---	---	1	2	---	3	South Carolina
509	483	348	800	634	18,034	South Dakota
---	1	---	---	---	14	Tennessee*
97	350	515	455	648	2,251	Texas*
32,062	31,195	31,074	31,106	34,116	696,294	Utah
19	151	118	89	90	562	Virginia
887	458	123	371	468	6,727	Washington
---	264	261	197	197	947	West Virginia
---	2	---	1	1	6	Wisconsin*
<u>178,518</u>	<u>186,956</u>	<u>242,066</u>	<u>214,182</u>	<u>199,333</u>	<u>3,702,895</u>	Wyoming
\$432,474	\$466,250	\$523,183	\$477,544	\$457,754	\$9,711,782	Total

*Cumulative totals for these States may not include small-revenue shares that were disbursed during the previous decades.

NOTE: Figures represent actual payments to the States and not allocations. Mandated distributions to the States are based on percentage shares of royalties, rents, bonuses, and other mineral revenue collections. Beginning with Fiscal Year (FY) 1986, figures include interest accrued for late disbursements to the States. Beginning with FY 1991, figures represent payments to the States after the deduction of administrative costs required under the provisions of Public Law 103-66. Beginning with FY 1993, figures include distributions from acquired lands administered by the U.S. Army Corps of Engineers and from national forests administered by the U.S. Department of Agriculture.

SOURCE: Bureau of Land Management and Minerals Management Service, Department of the Interior.

Preliminary

Table 35. Distribution of OCS rents, bonuses, royalties, escrow funds, and settlement payments under the provisions of the OCS Lands Act as amended, Fiscal Years 1986-96

	1986-93	1994	1995	1996	1986-96
Alabama					
Bonuses	\$ 819,374	\$ ---	\$ ---	\$ 124,382	\$ 943,756
Rents	465,686	19,613	11,819	19,201	516,319
Royalties	9,451,024	7,920,004	6,822,431	10,179,916	34,373,375
Section 8(g) Escrow	66,000,000	---	---	---	66,000,000
Settlement Payments . . .	<u>2,030,000</u>	<u>490,000</u>	<u>490,000</u>	<u>490,000</u>	<u>3,500,000</u>
Total	\$ 78,766,084	\$ 8,429,617	\$ 7,324,250	\$10,813,499	\$105,333,450
Alaska					
Bonuses	\$ 1,690,277	\$ ---	\$ ---	\$ ---	\$ 1,690,277
Rents	2,819,097	120,967	49,058	40,235	3,029,357
Royalties	8,683	8,810	8,882	101,266	127,641
Section 7 Escrow	322,900,000	---	---	---	322,900,000
Section 7 Rents	359,131	8,348	6,553	6,533	380,585
Section 8(g) Escrow	51,000,000	---	---	---	51,000,000
Settlement Payments . . .	<u>38,860,000</u>	<u>9,380,000</u>	<u>9,380,000</u>	<u>9,380,000</u>	<u>67,000,000</u>
Total	\$417,637,188	\$ 9,518,125	\$ 9,444,493	\$ 9,528,054	\$446,127,860
California					
Bonuses	\$ 9	\$ ---	\$ ---	\$ ---	\$ 9
Rents	779,466	15,643	1,564	(429)	796,244
Royalties	17,024,111	3,961,747	5,160,390	4,735,950	30,882,198
Section 8(g) Escrow	338,000,000	---	---	---	338,000,000
Settlement Payments . . .	<u>83,810,000</u>	<u>20,230,000</u>	<u>20,230,000</u>	<u>20,230,000</u>	<u>144,500,000</u>
Total	\$439,613,586	\$24,207,390	\$25,391,954	\$24,965,521	\$514,178,451
Florida					
Bonuses	\$ 2,216,037	\$ ---	\$ ---	\$ ---	\$ 2,216,037
Rents	115,472	14,307	11,194	10,194	151,167
Royalties	---	---	---	---	---
Section 8(g) Escrow	30,000	---	---	---	30,000
Settlement Payments . . .	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$ 2,361,509	\$ 14,307	\$ 11,194	\$ 10,194	\$ 2,397,204

Preliminary**Table 35. Distribution of OCS rents, bonuses, royalties, escrow funds, and settlement payments under the provisions of the OCS Lands Act as amended, Fiscal Years 1986-96 (cont.)**

	1986-93	1994	1995	1996	1986-96
Louisiana					
Bonuses	\$ 23,427,519	\$ 1,913,682	\$ 890,002	\$ 4,666,400	\$ 30,897,603
Rents	2,316,582	1,016,932	255,213	292,445	3,881,172
Royalties	121,566,960	11,780,932	8,012,718	12,283,395	153,644,005
Section 8(g) Escrow	572,000,000	---	---	---	572,000,000
Settlement Payments . . .	<u>24,360,000</u>	<u>5,880,000</u>	<u>5,880,000</u>	<u>5,880,000</u>	<u>42,000,000</u>
Total	\$ 743,671,061	\$20,591,546	\$15,037,933	\$23,122,240	\$ 802,422,780
Mississippi					
Bonuses	\$ 28,123	\$ ---	\$ ---	\$ ---	\$ 28,123
Rents	117,429	4,587	4,587	4,587	131,190
Royalties	81,897	307,359	127,258	401,234	917,748
Section 8(g) Escrow	14,000,000	---	---	---	14,000,000
Settlement Payments . . .	<u>580,000</u>	<u>140,000</u>	<u>113,787</u>	<u>140,000</u>	<u>973,787</u>
Total.	\$ 14,807,449	\$ 451,946	\$ 245,632	\$ 545,821	\$ 16,050,848
Texas					
Bonuses	\$ 14,755,953	\$ 325,148	\$ 477,685	\$ 2,076,713	\$ 17,635,499
Rents	2,093,186	136,300	640,452	209,000	3,078,938
Royalties	100,182,652	10,273,031	7,514,147	9,219,584	127,189,414
Section 8(g) Escrow	382,000,000	---	---	---	382,000,000
Settlement Payments . . .	<u>38,860,000</u>	<u>9,380,000</u>	<u>9,380,000</u>	<u>9,380,000</u>	<u>67,000,000</u>
Total	\$ 537,891,791	\$20,114,479	\$18,012,284	\$20,885,297	\$ 596,903,851
OCS Totals					
Bonuses	\$ 42,937,292	\$ 2,238,830	\$ 1,367,687	\$ 6,867,495	\$ 53,411,304
Rents	8,706,918	1,328,349	973,887	575,233	11,584,387
Royalties	248,315,327	34,251,883	27,645,826	36,921,345	347,134,381
Section 7 Escrow	322,900,000	---	---	---	322,900,000
Section 7 Rents.	359,131	8,348	6,553	6,553	380,585
Section 8(g) Escrow	1,423,030,000	---	---	---	1,423,030,000
Settlement Payments . . .	<u>188,500,000</u>	<u>45,500,000</u>	<u>45,473,787</u>	<u>45,500,000</u>	<u>324,973,787</u>
Total	\$2,234,748,668	\$83,327,410	\$75,467,740	\$89,870,626	\$2,483,414,444

Preliminary

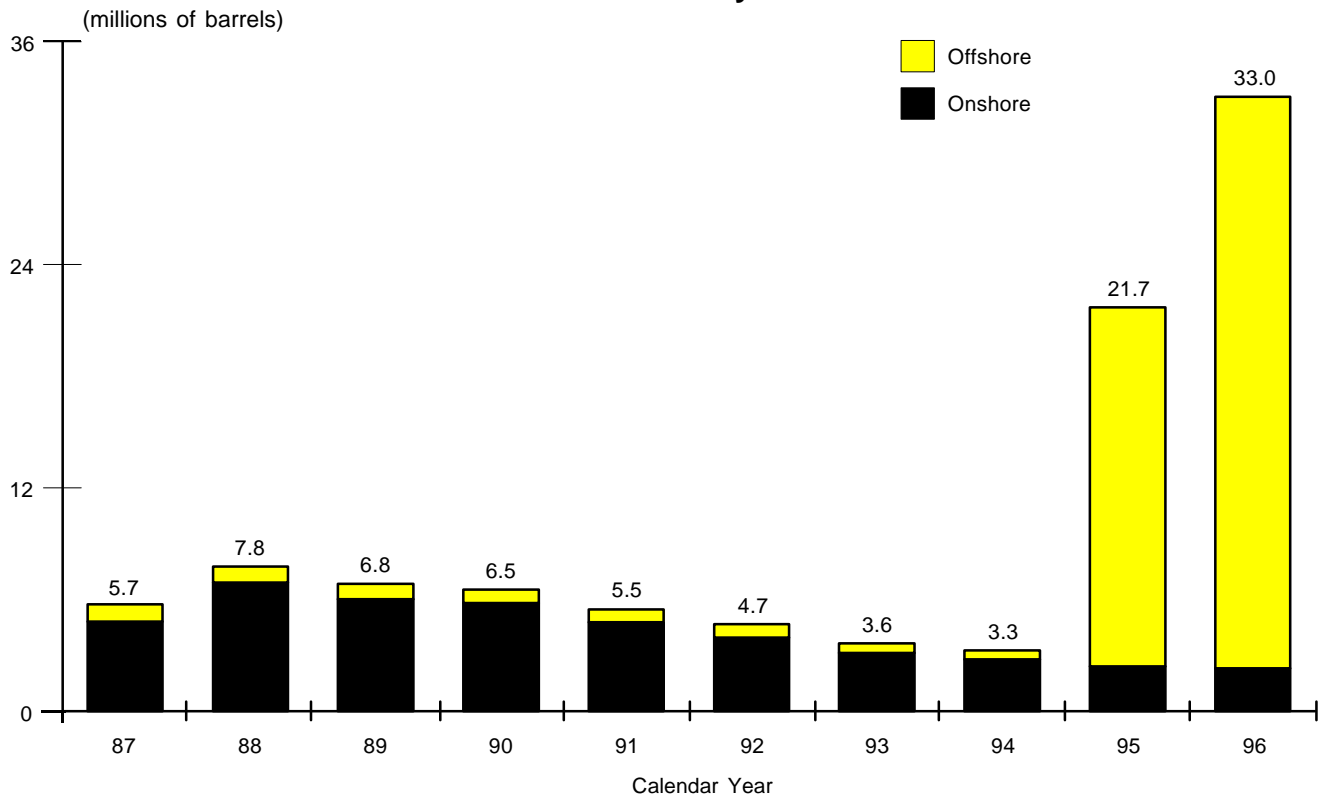


Figure 42. Royalty-in-kind barrels of oil sold by land category, 1987-96

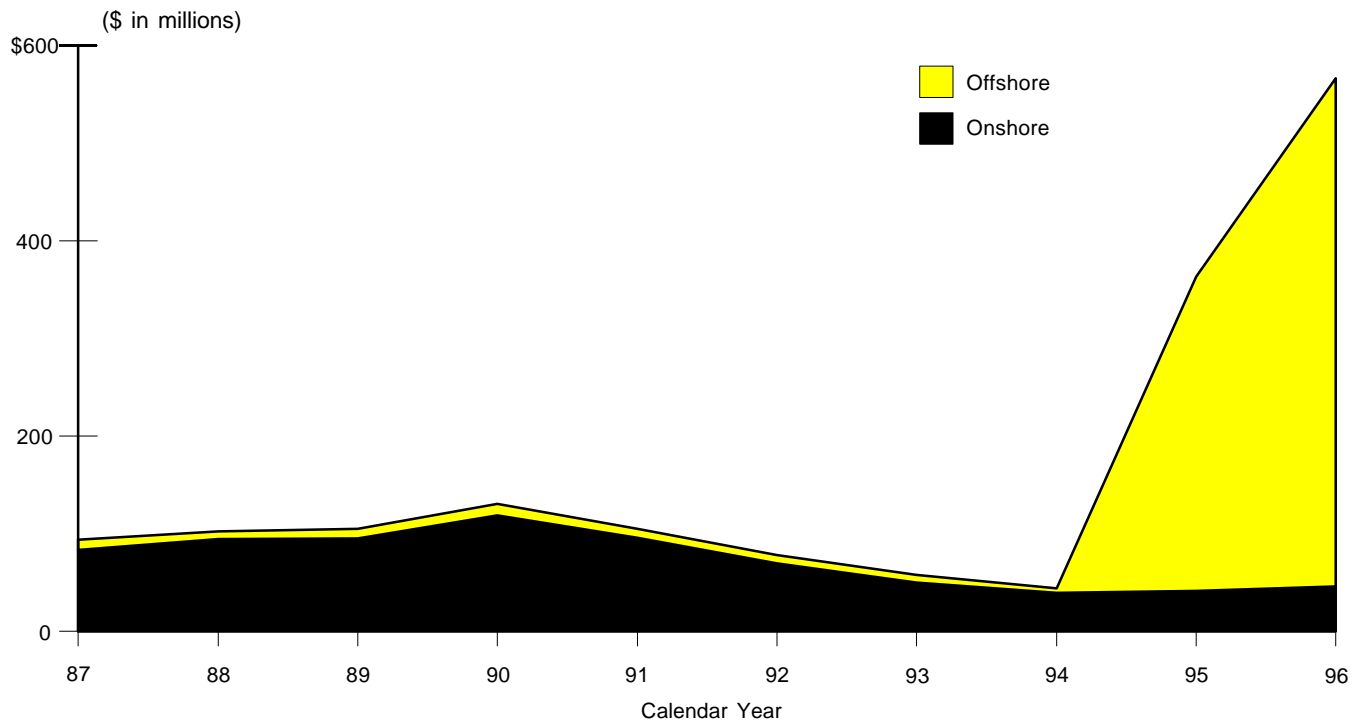


Figure 43. Royalty-in-kind oil royalty value by land category, 1987-96

Royalty-In-Kind

Under the Mineral Leasing Act of 1920 and the Outer Continental Shelf Lands Act of 1953, the Federal Government, as lessor, may take part or all of its oil and gas royalties “in kind.” The Secretary of the Interior, exercising discretionary authority, has historically determined that certain oil refiners do not have access to a secure supply of crude. The Federal Government may direct Federal lessees to pay their royalty shares in crude oil, rather than “in value” as cash. The Federal Government then sells the royalty-in-kind (RIK) oil to eligible refiners at a price consistent with applicable laws and regulations. Contracts with the refiners are usually made for a period of 3 years.

Four onshore oil RIK contracts were in effect in 1996. Collective purchases by the onshore refiners fell 5 percent, from 2.4 million barrels in 1995 to 2.3 million barrels in 1996. The royalty value of the purchases rose, however, 11.2 percent, from \$41.1 million in 1995 to \$45.7 million in 1996 (table 36, and figures 42 and 43). Domestic oil prices are materially influenced by the international market. Low world inventories of oil and high demand in the United States, Europe, and developing nations in Asia caused oil prices to rise in 1996.

One Pacific and nine Gulf of Mexico offshore oil RIK contracts were in effect at the beginning of 1996. One Gulf refiner sold his refinery and terminated his contract during the course of the year. The offshore refiners collectively purchased 30.7 million barrels of RIK crude in 1996, up significantly over a corresponding figure of 19.3 million barrels in 1995. The royalty value of the purchases rose from \$322 million in 1995 to \$520.5 million in 1996 (table 36, and figures 42 and 43). The increase in royalty value is again due to higher prices resulting from low world inventories of oil and high international demand.

The increase in offshore RIK activity in 1995-96 reflects an effort by the Minerals Management Service to provide a secure supply of crude oil to refiners in the Pacific and Gulf areas.

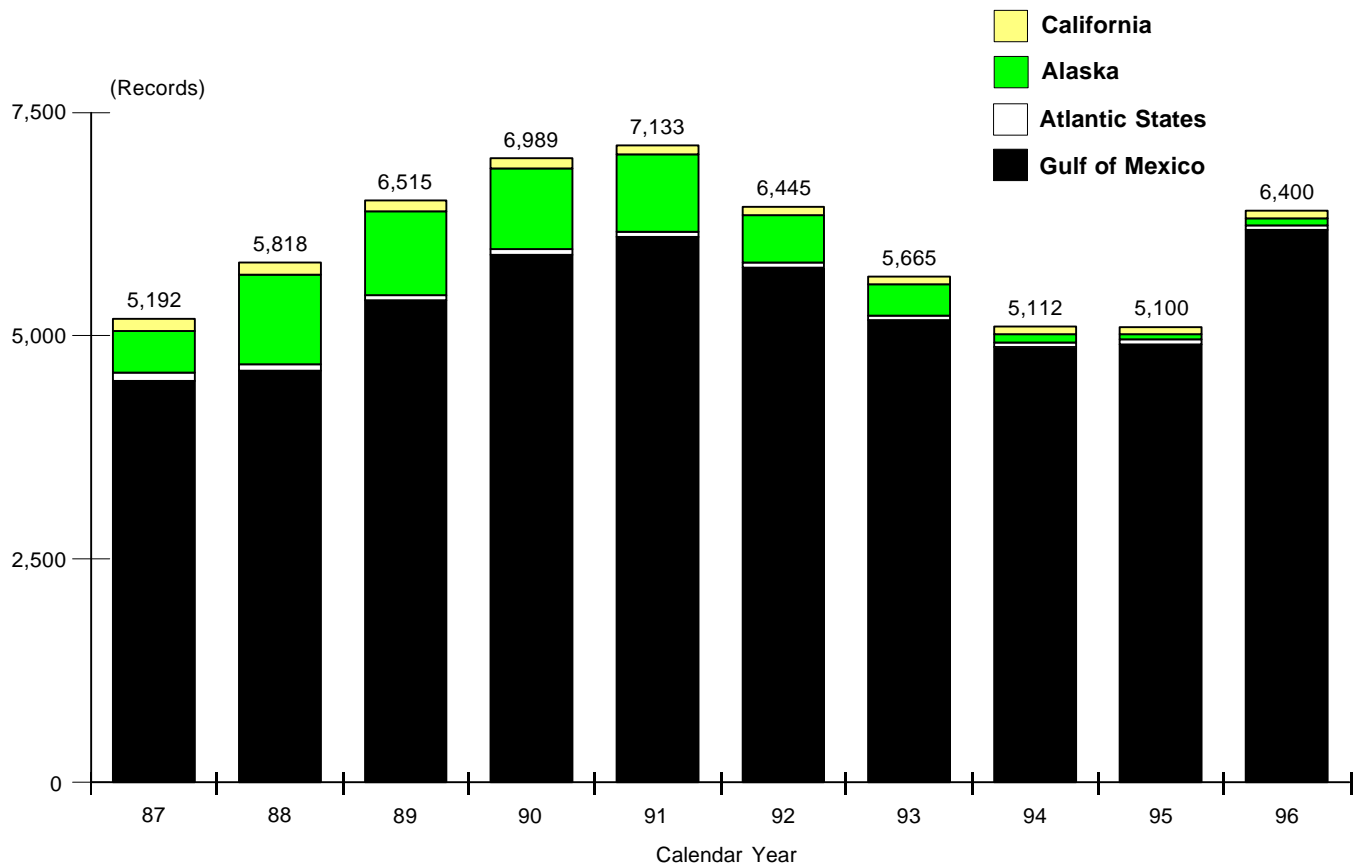
Total RIK crude, with a royalty value of over \$566.2 million, represented approximately 38 percent of the oil royalties paid to the Federal Government in 1996 (tables 3 and 36). The 1996 figure represents the highest RIK royalty value since 1984 when royalty value totaled \$792.2 million.

Table 36. Summary of Royalty-in-kind oil taken as royalty payments for Federal mineral lease sales volume, Calendar Years 1976-96

	Federal Onshore		Federal Offshore		Total RIK Oil	
	Barrels Sold	Royalty Value	Barrels Sold	Royalty Value	Barrels Sold	Royalty Value
1976-86	87,985,357	\$1,487,912,313	203,318,781	\$3,549,896,466	291,304,138	\$5,037,808,779
1987	4,820,893	82,969,264	920,306	10,780,105	5,741,199	93,749,369
1988	6,928,986	94,314,227	861,027	7,951,951	7,790,013	102,266,178
1989	6,021,694	95,241,410	820,300	9,295,589	6,841,994	104,536,999
1990	5,800,634	118,816,887	733,582	11,544,477	6,534,216	130,361,364
1991	4,799,004	95,816,902	674,113	9,050,729	5,473,117	104,867,631
1992	3,956,582	69,303,308	713,272	8,537,273	4,669,854	77,840,581
1993	3,130,328	51,719,709	505,386	5,965,712	3,635,714	57,685,421
1994	2,776,868	39,493,665	483,292	4,268,058	3,260,160	43,761,723
1995	2,419,542	41,125,635	19,305,519	321,988,629	21,725,061	363,114,264
1996	<u>2,298,571</u>	<u>45,712,144</u>	<u>30,716,298</u>	<u>520,527,939</u>	<u>33,014,869</u>	<u>566,240,083</u>
Total	130,938,459	\$2,222,425,464	259,051,876	\$4,459,806,928	389,990,335	\$6,682,232,392

Preliminary**Table 43. Summary by area of producing and nonproducing oil, gas, and other mineral leases under the supervision of the Department of the Interior on the OCS, as of December 31, 1996**

	Oil and Gas		Other		Total Offshore	
	No.	Acres	No.	Acres	No.	Acres
Alaska	78	319,240	---	---	78	319,240
Atlantic States	53	301,739	---	---	53	301,739
California	83	423,345	---	---	83	423,345
Gulf of Mexico						
Central	4,170	20,633,019	6	19,966	4,176	20,652,985
Eastern	156	898,243	---	---	156	898,243
Western	<u>1,854</u>	<u>10,215,177</u>	<u>---</u>	<u>---</u>	<u>1,854</u>	<u>10,215,177</u>
Total	6,394	32,790,763	6	19,966	6,400	32,810,729

**Figure 47. Oil, gas, and other mineral leases, licenses, and permits on the OCS, 1987-96**

Preliminary**Table 44. Summary of producing and nonproducing oil, gas, and other mineral leases under the supervision of the Department of the Interior on the OCS, as of December 31, 1987-96**

	Oil and Gas		Other		Total Offshore	
	No.	Acres	No.	Acres	No.	Acres
1987.	5,185	26,079,332	7	11,948	5,192	26,091,280
1988.	5,801	29,434,977	17	148,774	5,818	29,583,751
1989.	6,498	33,273,059	17	148,774	6,515	33,421,833
1990.	6,972	35,733,664	17	148,774	6,989	35,882,438
1991.	7,121	36,826,386	12	92,865	7,133	36,919,251
1992.	6,435	32,959,376	10	81,119	6,445	33,040,495
1993.	5,653	28,882,212	12	84,028	5,665	28,966,240
1994.	5,105	25,764,899	7	23,247	5,112	25,788,146
1995.	5,095	25,997,641	5	18,454	5,100	26,016,095
1996.	6,394	32,790,763	6	19,966	6,400	32,810,729

Preliminary**Table 47. General Federal and Indian mineral lease terms****Oil, Gas, and Sulfur Leases on Federal Offshore Lands**

Customary Royalty Rate	Flat rates of 12 1/2% or 16 2/3% in amount or value of production. Variable rates of 16 2/3% or more in amount or value of production, depending on lease sale. Net profit share rates as specified in lease sale. See Title 30 Code of Federal Regulations (CFR) Section 260 - Outer Continental Shelf Oil and Gas Leasing.
Annual Rent and Other Fees	Rent \$3 to \$5 per acre. Minimum royalty \$3 to \$5 per acre after discovery. Rent \$10 per acre for drainage sales. Minimum royalty \$10 per acre for drainage sales.
Duration of Lease	5 to 10 years; continued if capable of producing in commercial quantities. 8 and 10 years in depths of 400 meters or more.
Size of Lease	2,500 to 5,760 acres, or equivalent hectares, unless a larger area is needed for a production unit.
Bonding Requirements	Lease: \$50,000. Area: depending on development, up to \$3,000,000.

Oil and Gas Leases on Federal Onshore Lands: Competitive Leases

Customary Royalty Rate	Leases issued from 5-3-45 to 12-22-87: oil 12 1/2% to 25% and gas 12 1/2% or 16 2/3% in amount or value of production, depending on production per well per day for the calendar month. Leases issued after 12-22-87: flat rate of 12 1/2% in amount or value of production. See 43 CFR 3103.3 - Royalties, and Bureau of Land Management (BLM) Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Annual Rent and Other Fees	Leases issued prior to 9-2-60: \$0.25 to \$1 per acre. Leases issued 9-2-60 through 12-22-87: \$2 per acre. Bonus paid at issuance. Leases issued after 12-22-87: \$1.50 per acre first 5 years, \$2 per acre subsequent years if extended. See 43 CFR 3103.2 - Rentals, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Duration of Lease	5 years; continued if capable of producing in commercial quantities.
Size of Lease	Through 12-22-87: 640 acres or less. After 12-22-87: maximum 2,560 acres for lower 49 States and maximum 5,760 acres in Alaska.
Bonding Requirements	Lease: \$10,000. State: \$25,000. Nationwide: \$150,000.

Preliminary**Table 47. General Federal and Indian mineral lease terms (cont.)****Oil and Gas Leases on Federal Onshore Lands: Non-Competitive Leases**

Customary Royalty Rate	12 1/2% in amount or value of production. See 43 CFR 3103.3 - Royalties, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Annual Rent and Other Fees	Leases issued prior to 9-2-60: \$0.25 to \$1 per acre. Leases issued 9-2-60 through 2-1-77: \$0.50 per acre. Leases issued 2-1-77 through 12-22-87: \$1 to \$2 per acre first 5 years, \$2 per acre subsequent years. Leases issued after 12-22-87: \$1.50 per acre first 5 years, \$2 per acre subsequent years. See 43 CFR 3103.2 - Rentals, and BLM Manual Part H-3103-1 - Fees, Rentals, and Royalty.
Duration of Lease	10 years; continued if capable of producing in commercial quantities.
Size of Lease	10,240 acres maximum within 6-mile square, or 640 acres minimum.
Bonding Requirements	Lease: \$10,000. State: \$25,000. Nationwide: \$150,000.

**Oil and Gas Leases on Federal Onshore Lands: National Petroleum Reserve Alaska Leases
Subject to Appropriation Act of 1981**

Customary Royalty Rate	Not set by law—now 16 2/3%.
Annual Rent and Other Fees	Rent \$3 per acre.
Duration of Lease	10 years or less.
Size of Lease	Up to 60,000 acres.
Bonding Requirements	Corporate surety: \$100,000.

Oil and Gas Leases on Indian Lands

Customary Royalty Rate	Varies. Generally, new leases provide for 16 2/3% or more in amount or value of production. Leases before 1982 are generally 12 1/2% or 16 2/3% in amount or value of production.
Annual Rent and Other Fees	Rent varies from \$1.25 to \$30 per acre.
Duration of Lease	Primary term is 5 years or less
Size of Lease	Under the Indian Mineral Development Act of 1982, varies for the entire reservation from a fraction of an acre to over 200,000 acres.
Bonding Requirements	Lease: \$500 to \$2,000 depending on acreage. State: \$75,000 Nationwide: \$150,000.

Preliminary**Table 47. General Federal and Indian mineral lease terms (cont.)****Coal Leases on Federal Lands: Leases Issued Through August 4, 1976**

Customary Royalty Rate	\$0.15 per ton underground and \$0.175 per ton surface mines.
Annual Rent and Other Fees	Rent \$1 per acre credited against royalty payments for the lease year. Minimum royalty: per lease terms.
Duration of Lease	Indefinite period with 20-year readjustments.
Size of Lease	Not more than 46,080 acres in one state and not more than 100,000 acres in the United States for one or more leases.
Bonding Requirements	Nonproducing leases: \$5,000 or amount equal to annual rent rounded to \$1,000, whichever is greater. Producing leases: 3 months' production royalty.

Coal Leases on Federal Lands: Leases Issued or Readjusted After August 4, 1976

Customary Royalty Rate	Readjusted and new leases: 8% of value of production for underground mines and 12 1/2% of value of production for surface mines.
Annual Rent and Other Fees	Rent \$3 per acre not credited against royalty payments. Lease filing fee: \$250. Transfer fee: \$50.
Duration of Lease	20 years; continued if producing in commercial quantities, subject to readjustment every 10 years.
Size of Lease	No more than 46,080 acres in one state and no more than 100,000 total acres in the United States.
Bonding Requirements	Nonproducing leases: \$5,000 or amount equal to annual rent rounded to \$1,000, whichever is greater. Producing leases: 3 months' production royalty.

Coal Leases on Indian Lands

Customary Royalty Rate	Varies according to lease terms and amendments. Generally 6 1/4% to 12 1/2% of value of production.
Annual Rent and Other Fees	Rent varies. Average rent \$2 per acre. Advance royalties payable up to \$1 million annually.
Duration of Lease	Varies by lease terms.
Size of Lease	Varies.
Bonding Requirements	Lease: \$500 to \$2,000 depending on acreage. State: \$75,000 depending on acreage. Nationwide: \$75,000 or determined by the Secretary.

Preliminary

Table 47. General Federal and Indian mineral lease terms (cont.)

Other Mineral Leases on Federal Lands: Asphalt Leases

Customary Royalty Rate	Per lease terms, but not less than \$0.25 per ton.
Annual Rent and Other Fees	Rent: year 1, \$0.25 per acre; years 2-5, \$0.50 per acre; beginning year 6, \$1 per acre, credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Not less than \$5,000.

Other Mineral Leases on Federal Lands: Geothermal Leases

Customary Royalty Rate	10% to 15% of value of geothermal fluids and not more than 5% of value of any by-product, including commercially demineralized water, unless otherwise provided in Section 1 of the Mineral Leasing Act of 1920, as amended.
Annual Rent and Other Fees	Rent \$1 per acre; \$2 per acre in known geothermal resources area. Minimum royalty \$2 per acre.
Duration of Lease	10 years; continued if capable of producing in commercial quantities.
Size of Lease	2,560 acres maximum and not less than 640 acres unless for nonelectric uses.
Bonding Requirements	Lease: \$10,000. State: \$50,000. Nationwide: \$150,000; \$5,000 minimum for protection of surface owner.

Other Mineral Leases on Federal Lands: Gilsonite Leases

Customary Royalty Rate	12 1/2% of value of production.
Annual Rent and Other Fees	Rent \$0.50 per acre credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, subject to readjustment every 20 years.
Size of Lease	Per lease terms.
Bonding Requirements	Not less than \$5,000.

Preliminary**Table 47. General Federal and Indian mineral lease terms (cont.)****Other Mineral Leases on Federal Lands: Lead, Zinc, Copper, and Other Hardrock Mineral Leases**

Customary Royalty Rate	5% of value of production (concentrate).
Annual Rent and Other Fees	Rent \$1 per acre credited against royalties. Minimum royalty \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Not less than \$5,000.

Other Mineral Leases on Federal Lands: Oil Shale Leases

Customary Royalty Rate	Per lease terms.
Annual Rent and Other Fees	Rent \$0.50 per acre. Minimum royalty per lease terms.
Duration of Lease	Per lease terms.
Size of Lease	Per lease terms.
Bonding Requirements	Per lease terms.

Other Mineral Leases on Federal Lands: Potassium, Sodium, or Phosphate Leases

Customary Royalty Rate	Ranges from 2% to 8% of value of production.
Annual Rent and Other Fees	Rent: year 1, \$0.25 per acre; years 2-5, \$0.50 per acre; beginning year 6, \$1 per acre credited against royalties. Minimum royalty: \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	Indefinite, subject to readjustment every 20 years.
Size of Lease	2,560 acres maximum and not less than 640 acres minimum.
Bonding Requirements	Lease: not less than \$5,000. State: \$25,000. Nationwide: \$75,000.

Preliminary**Table 47. General Federal and Indian mineral lease terms (cont.)**

<u>Other Mineral Leases on Federal Lands: Sulfur Leases</u>	
Customary Royalty Rate	12 1/2% of value of production.
Annual Rent and Other Fees	Rent: \$0.50 per acre credited against royalties. Minimum royalty: \$3 per acre payable in advance beginning year 6, until production commences.
Duration of Lease	20 years, with right of renewal every 10 years thereafter.
Size of Lease	640 acres.
Bonding Requirements	Not less than \$5,000.
<u>Other Mineral Leases on Federal and Indian Lands: Chat, Garnet, Gypsum, Iron Ore, Limestone, Sand and Gravel, and Other Solid Mineral Leases</u>	
Customary Royalty Rate	Varies by commodity and lease terms. Ranges from \$0.50 to \$5 per unit for chat, gypsum, and sand and gravel. Some leases are subject to ad valorem royalty rates.
Annual Rent and Other Fees	Rent varies from \$1 to \$5 per acre. Flat amount of rent or advance royalty due regardless of lease size. Can range from \$2,000 to \$1.2 million annually.
Duration of Lease	Varies by lease from 1 year to 20 years.
Size of Lease	1 acre to 40,000 acres.
Bonding Requirements	Lease: as determined. State: \$15,000. Nationwide: \$75,000.

NOTE: Lease terms may be extended or modified for various reasons as authorized by regulation. A \$10 fee is required to file, transfer or assign an Indian lease. A comparable fee is required to file, transfer, or assign certain other lease commodities.

Appendix A

Inch-Pound/Metric Conversion

Measurements in this report use English (inch-pound) units. Federal and industry organizations are moving towards International System Units, often referred to as metric units. This appendix provides factors for converting measurements to inch-pound or metric units. To obtain the metric equivalent, multiply the inch-pound unit by the conversion factor. To obtain the inch-pound equivalent, multiply the metric unit by the conversion factor.

To convert from inch-pound unit	Multiply by	To equal metric unit
acre	0.4047	hectare
barrel (42 U.S. gallons)	0.1589	cubic meter
barrel (42 U.S. gallons)	0.136	metric ton
cubic foot	0.0283	cubic meter
gallon	3.785	liter
mile	1.609	kilometer
ton, long (2,240 U.S. lb.)	1.016	metric ton
ton, short (2,000 U.S. lb.)	0.9072	metric ton
 To convert from metric unit	 Multiply by	 To equal inch-pound unit
cubic meter	6.293	barrel (42 U.S. gallons)
cubic meter	35.33	cubic foot
hectare	2.471	acre
kilometer	0.6215	mile
liter	0.2642	gallon
metric ton	7.33	barrels (42 U.S. gallons)
metric ton	0.9843	long ton (2,240 U.S. lb.)
metric ton	1.1023	short ton (2,000 U.S. lb.)



As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.